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AN INVESTMENT GUIDE TO CANADA'S OPPORTUNITY PROVINCE

ALBERTA

WINTER



Alberta, strong and free.
Canada 



Alberta: Canada's Opportunity Province.

A young province in a young country, Alberta is one of Canada's most dynamic regions. The province covers an area of some 644,000 square kilometers, making it three times larger than the United Kingdom, or almost identical in size to the state of Texas.

On the western border, Alberta's majestic Rocky Mountains soar to elevations of 3,700 meters (12,000 feet). The foothills of southern Alberta lead eastward to the rich agricultural land of the rolling prairies. Forests and lakes cover northern regions of the province, while the eerie badlands in southern Alberta are known for their prehistoric mystery.

Politically stable and culturally diverse, Alberta's population of nearly two and a half million people is made up of a mosaic of the world's races, religions and ethnic groups. Albertans enjoy one of the highest standards* of life in the western world, and a climate that varies from pleasantly warm summers to invigorating winters. While over half live in the two major metropolitan centres of Calgary and the capital city of Edmonton, others live throughout Alberta's rural areas or in 15 smaller cities throughout the province.

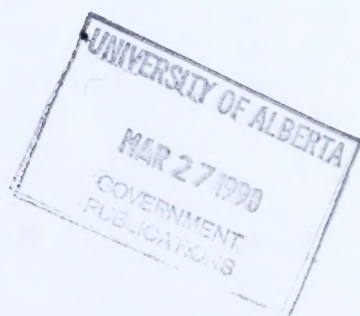
Alberta has the youngest population — and the most productive workforce — in Canada. Thanks to an energetic and competitive business community, backed by a government that encourages free enterprise, Alberta has diversified its economy and established trade links with countries around the world. Once known primarily for its energy and agricultural industries, Alberta today is recognized as a leader in advanced manufacturing, petrochemicals, forestry, high technologies and electronics.

With a highly-developed transportation and communications infrastructure, along with the most moderate tax regime in Canada, Alberta offers a superb environment for business, investment and trade. The opportunities to capitalize on Alberta's strengths are unlimited!



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ALBERTA INVESTMENT GUIDE



Department of Economic Development & Trade

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MESSAGE FROM THE MINISTER

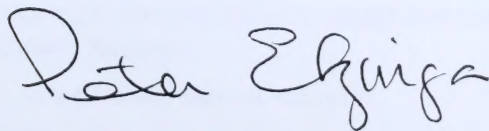
As you review this report, you will no doubt be impressed Alberta's visible strengths as an investment location. Over the past years, our achievements in developing a dynamic and diverse economy have attracted considerable attention from many astute investors. So have our low personal and corporate tax rates, our highly-developed infrastructure and our vast natural resources.

Other advantages are less visible, but equally compelling. Indeed, the importance of our natural resources is outmatched by the strength of our human resources. Alberta's highly-educated workforce is the most productive in Canada, and our labor climate is characterized by a high degree of stability. Our business community is entrepreneurial, competitive and known around the world for its integrity.

Strong in our free enterprise traditions, Alberta championed the Canada-U.S. Free Trade Agreement. Today, businesses in every sector of our province are capitalizing on opportunities to grow, diversify, and achieve their full potential both within North America and throughout the global marketplace.

For these reasons - both quantitative and qualitative - Alberta has consistently recorded Canada's highest per capital level of investment. Major projects which have been announced or are underway in 1989 amount to more than \$28.6 billion. This continues to be the most attractive region in North America for investment in conventional oil and gas recovery. Investment is generating remarkable growth in our advanced technology, food processing and manufacturing sectors - our forestry industry alone has attracted an unprecedented \$3.4 billion in new projects.

For all that has been achieved, however, Alberta today is poised on the threshold of even more significant growth and development. I invite you to explore the advantages of doing business in Alberta - to explore the virtually unlimited and highly profitable investment opportunities in our growth industries.



Peter Elzinga
Minister
Alberta Economic Development And Trade

NOTICE

The Alberta Investment Guide is a reference report based upon information given to, but not verified by, the Investment Promotion Branch of Alberta Economic Development & Trade. The material herein is offered for your consideration, information, investigation and verification. The Government of Alberta disclaims any responsibility or liability whatsoever for costs or damages that a person may suffer in any manner whatsoever by depending on any part or all of the information contained herein.

INTRODUCTION

ALBERTA - PROVINCE OF OPPORTUNITY

A Diverse Economy

Alberta has a diverse economy that has unlimited investment potential. Leading and emerging industries in the province include:

- agriculture
- oil and gas
- chemicals and chemical products
- food processing
- forestry products
- tourism
- electronics and aerospace industries
- computer software and engineering services
- advanced materials and plastics
- consumer products
- biotechnology and pharmaceuticals
- film industry
- fashion industry
- telecommunications

Investment Appeal

Alberta welcomes and encourages investment. This positive investment climate features:

- low personal income tax rates
- low corporate tax rates
- forgiveness of provincial corporate tax for qualifying small manufacturing businesses
- assured supply of competitively priced energy resources
- a highly trained work force
- labour stability

- political stability
- a government committed to free enterprise
- government encouragement of foreign investment
- government support of world class research facilities in science and technology
- easy transportation and communications access
- availability of industrial land
- no retail sales tax

Quality of Life

Alberta has one of the highest standards of living in the world which is exemplified by:

- a first class elementary and secondary school system
- outstanding advanced education institutions
- excellent health and medical care, covered by a provincial insurance plan
- legislation for the protection of the environment
- National and Provincial Parks which provide the finest skiing, hiking, golfing and camping in the world
- site of 1978 Commonwealth Games and 1988 Winter Olympics
- vibrant city life
- live theatre, dance, opera and symphony orchestras
- professional sports

ALBERTA'S ECONOMIC DIVERSIFICATION STRATEGY

Over the years, the Alberta Government has pursued a number of policy and program initiatives to encourage diversification. Several examples of the more important initiatives undertaken include:

1. Establishing the *Alberta Heritage Savings Trust Fund* in 1976 to retain a portion of the non-renewable resource revenues that the province receives from oil, natural gas and coal. The Fund was established to provide the financial means to further diversify the Alberta economy. The Heritage Fund now has an asset value of \$12.5 billion, and generates investment income which accounts for 15 percent of total provincial revenues.
2. Maintaining a *competitive tax regime* for the province's business community, with current tax rates on small business, and manufacturing and processing income being among the lowest in Canada.
3. Building an *extensive infrastructure in transportation, communications, education, and health care* - all of which are essential to economic growth and diversification.
4. Establishing *world class facilities in science and technology*, such as the Alberta Research Council; the Alberta Heritage Foundation for Medical Research; and Applied Research Centres in Micro-electronics and Telecommunications.
5. Developing *world class facilities for tourism* including heritage attractions such as the Tyrrell Museum of Paleontology and the Head-Smashed-In Buffalo Jump World Heritage Site, and recreational features such as our national and provincial park systems.
6. *Providing financial assistance to small businesses* where the marketplace has not responded to their needs. Examples include programs intended to stabilize interest rates and other input costs, and to improve access to sources of financing for higher risk ventures (Small Business Term Assistance Plan, Alberta Opportunity Company).
7. Encouraging the formation of *venture capital pools* as sources of equity capital and liquidity for Alberta businesses (Small Business Equity Corporations Program, recent expansion of the Alberta Opportunity Company's mandate to include venture financing).
8. Promoting the *development of export markets* for Alberta goods and services through programs that help to reduce the front-end risk (Market Development Assistance Program, Export Services Support Program, etc.).

The following are key components of Alberta's economic diversification strategy, in terms of where emphasis will be placed.

1. **Business Development** - Statistics show that 97 percent of all firms in Alberta have less than 100 employees and less than \$2.0 million in revenues. In the last 10 years, these firms have accounted for almost all of the net employment growth in the province. Moreover, these smaller firms account for 80 percent of all innovations made by the business community. New business formation and the success of existing businesses is the foundation for the continued growth and diversification of Alberta's economy.
2. **Domestic and International Marketing** - Diversification is supported not only through the development of new industries or commercial sectors, but also through the opening up of new markets for existing products and services. The Alberta Government is committed to increasing the number of companies exporting outside the province.
3. **Investment Promotion** - Capital does more than simply generate jobs. Investment is an important vehicle in transferring technology, increasing productivity, and improving competitiveness. The role of the Alberta Government in seeking to have investment take place in the province, is to promote attractive investment opportunities and ensure that investors are aware of these opportunities. The Alberta Government is committed to ensuring that our regulatory and taxation regimes remain favourable to investors.
4. **Science and Technology** - Advanced technology is rapidly emerging as one of the dominant factors shaping the social and economic structure of most societies. It is now recognized by all industrial countries as representing one of the major opportunities for new economic growth. The Alberta Government is committed to enhancing industry's ability to develop and commercialize new technologies and new products, and to apply these technologies to improve the productivity of existing industries.
5. **Transportation and Communications** - In a highly competitive economy, businesses must have the ability to respond quickly and appropriately to market forces. Alberta is committed to a process of deregulation in the transportation sector, one which recognizes the role of the marketplace, rather than regulation, as a means of encouraging efficiency and innovation.
6. **Education and Labour Market Development** - A smoothly functioning, demand responsive labour market is an essential ingredient for economic growth and diversification. The Alberta Government is committed to working closely with industry to identify current and future demand for skilled workers, and to working with businesses and industrial associations to undertake increased training initiatives to provide the skills essential to their industry.

CURRENT ECONOMIC ENVIRONMENT

PROVINCE OF ALBERTA QUARTERLY ECONOMIC REVIEW THIRD QUARTER, 1989

Population

As of July 1, 1989, Alberta's population was 2,432,400, up 34,800 from July 1, 1988.

During the second quarter of 1989, total net migration was 1,780, the sixth consecutive quarter of positive growth. This compares to 930 during the previous quarter.

During the first six months of 1989, the net loss of interprovincial migration was 1,470, smaller than the loss of 2,030 recorded in the same period a year ago. This loss was more than offset by a net gain in international migration of 4,180 (6,280 persons immigrated to Alberta while 2,100 left for other countries).

Labour Force

Between January and September 1989, Alberta's unemployment rate (seasonally adjusted) dropped from 7.5% to 7.0%. During the comparable 1988 period, the decline was from 8.4% to 7.7%. September's rate was the seventh month this year that Alberta ranked second lowest in Canada. Ontario (4.8%) has recorded the lowest rate since March 1987.

At 1,217,000 in September, the number of Albertans employed (seasonally adjusted) was up 24,000 over September, 1988. This was the third largest gain in jobs created among the provinces. B.C. posted the largest increase at 103,000 followed by Ontario (95,000).

Among Alberta major industries, employment growth during the twelve month period ending in September, was the greatest in transportation (11.0%) and construction (9.2%). The service industry which employs the largest number of Albertans, advanced 4.5%. Primary industries (including oil and gas) dropped 1.5%, the eighth consecutive year-over-year decline.

Income

At \$47.8 billion in 1988, Alberta's total personal income rose 9.1% over 1987. This increase was more than double the gains posted in 1986 (4.2%) and 1987 (3.7%).

From 1981 to 1983, Alberta per capita personal income was the highest in Canada. Since 1984, Alberta has ranked second highest behind Ontario. In 1988, per capita was \$19,947, compared to \$21,861 for Ontario and \$19,517 for Canada.

Personal disposable income in 1988 totalled \$37.9 billion, up 9.0 % over 1987, the third largest increase among the provinces. Prince Edward Island recorded the largest gain at 10.4% followed by Ontario at 9.2%

Construction

During the first nine months of 1989, Alberta urban dwelling starts peaked in July at 1,498, up 78.8% over July, 1988. Starts totalled 1,117 in September, the fifth consecutive month exceeding 1,000 units. Alberta has not experienced such levels since the beginning of 1983.

Compared to the same period last year, cumulative urban starts for January to September, were up in only three provinces: Alberta (33.1%), B.C. (30.6%) and Newfoundland (21.6%). Saskatchewan recorded the largest decline at 50.3%. Canada starts fell 3.3% and Ontario, 4.5%.

Retail Trade

Between May and August, Alberta retail sales (seasonally adjusted) were relatively stable remaining at or near \$1.4 billion. Sales were up 7.0% over last August, second highest increase in Canada following B.C. at 11.8%.

Compared to the same period in 1988, cumulative sales from January to August, rose 8.0% in Alberta. The greatest increases were in used car dealerships (99.8%), household furniture/appliance stores (18.2%) and personal accessories stores (18.0%). The two largest retail sectors - motor vehicle dealers and combination food stores, reported increases of 9.7% and 5.6% respectively. Department stores sales rose 3.5%.

In August, Alberta posted the highest per capita sales in Canada at \$587. B.C. was second at \$575, followed by Ontario at \$570. Canada's figure was \$553.

Manufacturing

Cumulative 1989 Alberta manufacturing shipments ending in August, totalled \$12.2 billion, up 3.0% over the same period last year. In comparison, Canada shipments were up 3.7% and Ontario 2.8 %. Alberta's gain was primarily attributable to advances in durable goods industries; the largest increases were in furniture/furniture fixtures and fabricated metal products.

During July and August, 1989, Alberta shipments of refined petroleum and coal products reached the highest levels recorded since October, 1987 (\$271 million and \$266 million, respectively). In August, shipments were up 11.4%, the fifth consecutive month of year-over-year increases.

*Source: Alberta Statistical Review
Third Quarter, 1989*

CURRENT ECONOMIC INDICATORS

Canada and Selected Provinces

	Reference Period	Canada	Alta.	B.C.	Sask.	Man.	Ont.
Population (Thousands)	1-Jul-89	26,248	2,432	3,061	1,007	1,085	9,581
Labour Force (Thousands) ⁽¹⁾	Sep-89	13,528	1,309	1,585	486	540	5,216
Employment (Thousands) ⁽¹⁾	Sep-89	12,451	1,217	1,453	451	501	4,968
Unemployment Rate (%) ⁽¹⁾	Sep-89	7.3	7.0	8.3	7.2	7.2	4.8
Employment/Population Ratio (%)	Sep-89	62.1	67.2	61.2	62.0	62.3	66.3
Consumer Price Index (1981 = 100)	Sep-89	152.6	144.6	145.2	148.6	150.4	157.6
Average Weekly Earnings (\$)	Aug-89	489	490	494	426	449	512
Manufacturing Shipments (\$Millions)	Jan-Aug-89	197,187	12,214	17,379	2,348	4,382	103,930
Retail Trade (\$Millions)	Jan-Aug-89	110,887	10,862	13,013	3,578	3,988	42,437
Per Capita Retail Trade (\$)	Aug-89	553	587	575	464	466	570
Farm Cash Receipts (\$Millions)	Jan-Jun-89	10,751	2,189	497	2,280	948	2,609
Building Permits (\$Millions)	Jan-Jul-89	22,259	1,425	2,978	228	525	10,969
Dwelling Starts, All Areas	Jan-Sep-89	162,234	10,469	29,381	1,564	3,267	71,907
Dwelling Starts, Urban Centres ⁽²⁾	Jan-Sep-89	138,060	8,744	26,540	1,211	2,524	62,369
Construction Work Purchased (\$Millions)	1989 ⁽³⁾	95,197	12,003	11,498	3,810	3,326	36,991
Personal Income (\$Millions)	1988	505,726	47,774	57,231	15,959	18,609	206,058
Per Capita Personal Income (\$)	1988	19,517	19,947	19,179	15,754	17,167	21,861
GDP at Market Prices (\$Millions)	1988	600,033	62,610	67,027	18,310	21,645	248,146
Per Capita GDP (\$)	1988	23,157	26,142	22,464	18,079	19,968	26,325
Private & Public Investment (\$Millions)	1989 ⁽³⁾	170,967	20,323	20,104	6,202	5,663	67,936

Percent Change Over the Same Period a Year Ago

Population	1-Jul-89	1.2	1.5	2.4	-0.5	0.0	1.5
Labour Force ⁽¹⁾	Sep-89	1.7	1.2	5.0	0.0	0.4	1.7
Employment ⁽¹⁾	Sep-89	2.2	2.0	7.6	0.2	1.8	1.9
Unemployment Rate ⁽¹⁾	Sep-89	-0.5*	-0.7*	-2.2*	-0.2*	-1.4*	-0.2*
Employment/Population Ratio ⁽¹⁾	Sep-89	0.6*	0.4*	2.9*	0.6*	1.1*	0.3*
Consumer Price Index	Sep-89	5.2	5.2	4.8	5.2	4.7	5.8
Average Weekly Earnings	Aug-89	5.0	5.5	6.5	4.1	4.4	5.1
Manufacturing Shipments	Jan-Aug-89	3.7	3.0	4.4	8.4	7.0	2.8
Retail Trade	Jan-Aug-89	5.3	7.5	10.0	1.6	5.5	5.4
Farm Cash Receipts	Jan-Jun-89	-2.2	-2.6	3.1	-9.8	-9.9	-0.7
Building Permits	Jan-Jul-89	10.7	-17.3	23.0	-24.4	8.5	12.4
Dwelling Starts, All areas	Jan-Sep-89	-2.4	28.4	28.9	-50.1	-22.3	-3.0
Dwelling Starts, Urban Centres ⁽²⁾	Jan-Sep-89	-3.3	33.1	30.6	-50.3	-28.3	-4.5
Construction Work Purchased	1989 ⁽³⁾	4.9	0.6	8.5	1.4	8.7	7.5
Personal Income	1988	8.9	9.1	8.5	4.1	7.3	9.9
GDP at Market Prices	1988	9.2	6.4	8.8	5.9	8.0	10.5
Private & Public Investment	1989 ⁽³⁾	9.9	4.8	16.5	0.7	11.4	10.8

⁽¹⁾ Seasonally Adjusted

⁽²⁾ Urban Centres of Population 10,000 and over

* Change in Percentage Points

Source: Alberta Statistical Review
Third Quarter, 1989

Interest Rate Trends

Prime interest rates have remained unchanged in November, 1989 over the past six months.

	Annual Average			1989					
	1986	1987	1988	Jun	Jul	Aug	Sep	Oct	Nov
Interest Rates (Prime Rates)									
a) Canada	10.52	9.52	10.83	13.50	13.50	13.50	13.50	13.50	13.50
b) United States	8.25	8.21	9.40	11.00	11.00	10.50	10.50	10.50	10.50

Source: Monthly Economic Review
November, 1989

Exchange Rate Trends

The Canadian Dollar lost ground against the German and French currencies but increased in value against the U.S. Dollar, the Yen, and the Pound Sterling in November, 1989.

	Annual Average			1989					
	1986	1987	1988	Jun	Jul	Aug	Sep	Oct	Nov
Exchange Rates (in \$CDN)									
a) United States	1.3895	1.3260	1.2307	1.1983	1.1888	1.1754	1.1826	1.1748	1.1696
b) Japan	0.0083	0.0092	0.0096	0.0083	0.0085	0.0083	0.0082	0.0083	0.0081
c) Germany	0.6428	0.7388	0.7027	0.6058	0.6291	0.6099	0.6067	0.6297	0.6401
d) United Kingdom	2.0383	2.1733	2.1927	1.8615	1.9349	1.8738	1.8589	1.8651	1.8386
e) France	0.2011	0.2209	0.2072	0.1785	0.1855	0.1806	0.1797	0.1855	0.1882

Source: Monthly Economic Review
November, 1989

Private and Public Investment by Industry, Alberta (Millions of Dollars)

	1979	1984	1985	1986	1987	1988 ^(a)	Total	1989 ^(b) Capital	Repair
Primary Industries and Construction	5,385	6,598	7,804	6,030	5,972	7,376	6,873	5,192	1,681
Manufacturing	1,072	1,125	862	1,000	1,043	1,550	2,160	1,711	448
Food and Beverages	73	108	96	91	106	123	125	79	47
Wood	47	35	38	118	87	103	98	62	36
Metal Fabricating	8	32	20	14	8	14	14	7	7
Non-Metallic Mineral Products	155	47	48	51	48	64	57	28	29
Other Manufacturing	789	903	661	726	793	1,245	1,866	1,535	330
Transportation, Communication and Other Utilities	1,671	2,435	2,432	2,369	2,572	3,048	3,409	2,465	944
Transportation	627	1,101	1,128	1,017	1,069	1,367	1,532	994	538
Communication	506	510	517	539	692	805	810	552	259
Other Utilities	538	824	787	813	811	876	1,066	919	147
Trade, Finance and Commercial Services	1,995	1,650	1,921	2,261	2,616	2,696	2,767	2,444	323
Commercial Services	307	468	374	365	423	463	458	353	105
Finance	1,066	521	765	820	1,045	996	944	855	89
Commercial Services	622	662	781	1,075	1,149	1,237	1,365	1,237	129
Institutions and Government Departments	1,413	2,393	2,574	2,730	2,618	2,431	2,649	2,103	547
Institutions	335	696	668	751	744	656	666	497	169
Government Departments	1,078	1,697	1,906	1,979	1,875	1,775	1,983	1,605	378
Housing	2,647	1,160	1,616	1,760	1,960	2,294	2,466	2,135	330
Total	14,183	15,361	17,209	16,150	16,781	19,393	20,323	16,050	4,273

Source: Alberta Statistical Review
Third Quarter, 1989

POLICY CONSIDERATIONS FOR THE INVESTOR

Foreign investment has played a significant role in the development of Alberta's economy, and is expected to maintain this role in the future. Foreign capital fostered an agricultural export economy in the first part of the century and allowed for the rapid development of the petroleum and chemical industries following the Second World War. Many of Alberta's future development prospects - oil sands, coal mining, petrochemicals, high technology and forestry - are capital intensive. Alberta welcomes and encourages foreign investment which will be beneficial to the province.

THE ALBERTA AGRICULTURAL AND RECREATIONAL LAND OWNERSHIP ACT

The Agricultural and Recreational Land Ownership Act is provincial legislation designed to regulate the non-Canadian ownership of significant amounts of prime agricultural and recreational land. However, it does not discourage those existing or future non-Canadian investors who wish to come to Alberta to invest in or to build new manufacturing plants, agriculture processing operations, recreational developments, and new home subdivisions or to expand existing plants or similar developments. Joint business ventures between non-Canadian enterprises, and Alberta companies have been and will continue to be encouraged. Such activities produce jobs for Albertans and are of significant benefit to the province.

Some lands are not controlled under the regulations. These include:

- crown land in right of Alberta,
- mines and minerals,
- land within the boundaries of cities, towns, new towns, villages, and summer villages,
- not more than two parcels of land containing, in the aggregate not more than 20 acres (8 hectares).

For further information on the Agricultural and Recreational Land Ownership Act, please contact:

Director, Foreign Ownership of Land Administration
Alberta Forestry, Lands, And Wildlife
Petroleum Plaza, 3rd Floor, South Tower
9915 - 108 Street
Edmonton, Alberta T5K 2C9
Telephone: (403) 427-6584

THE INVESTMENT CANADA ACT

The Investment Canada Act recognizes that investment is central to economic growth and the key to technological advancement. In 1985, Canada's regulations regarding foreign investment were greatly liberalized through the Investment Canada Act.

The Act establishes an Agency, Investment Canada, with a mandate to encourage and facilitate investment. The establishment of a new business by a foreign investor requires only that the investor notify Investment Canada of the investment within 30 days of implementation.

Acquisitions of small Canadian businesses are not subject to review. The Canadian asset threshold below which investments will not be reviewed is \$5 million for direct acquisitions, and \$50 million for indirect acquisitions. Since the inception of the Investment Canada Act, neither the Canadian nor the Alberta Government have rejected a reviewable foreign investment proposal.

Under the Canada/U.S. Free Trade Agreement, effective January 1, 1989, the threshold for review of direct acquisition of control of a Canadian business by a U.S. investor increased to \$25 million and the threshold for indirect acquisitions increased to \$100 million. In phases, the threshold for direct acquisitions will increase to \$150 million over a three year period while the threshold for indirect acquisitions will be phased out entirely. The new thresholds will also apply to third country acquisitions of Canadian businesses controlled by U.S. interests. However, amendments to review thresholds will not apply to investments in the oil and gas sector.

Provisions are made to review proposals which would otherwise be subject to notification if investments fall in certain sensitive sectors. These are:

- books, magazines, periodicals or newspapers,
- film or video products,
- audio or video music recordings, and
- music in print or machine readable form.

Investments in the above sectors may be reviewed if the Governor in Council deems it is related to Canada's cultural heritage or national identity.

For more detailed information on Investment Canada contact:

Investment Canada
5th Floor W, 240 Sparks Street
P.O. Box 2800, Station D
Ottawa, Ontario, Canada
K1P 6A5
Phone: (613) 995-0465
Telex: 053-4450

OR

Policy Development and Coordination Branch
Alberta Economic Development & Trade
9th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6
Phone: (403) 427-3627

BUSINESS IMMIGRATION PROGRAM

Designed to attract business expertise and investment capital, the Business Immigration Program enables approved applicants and their eligible dependents to obtain permanent resident status in Canada.

The federal immigration system grants immigration status to a business immigrant who invests in a job-generating business in Canada. The federal criteria for entrepreneurial immigration require that the applicant:

- 1) Has a relevant business background;
- 2) Has the intent and ability to invest in a business venture whereby employment opportunities will be continued or created for one or more Canadian residents other than the applicant and his dependents;
- 3) Upon approval, the applicant must reside in the Province, and assume active management roles in the operation of the business.

In Alberta, entrepreneurial immigrants are encouraged to establish businesses in these areas: manufacturing; food processing; services; merchandise wholesaling, retailing, or distributing enterprises.

Passive investment which is designed to collect interest, dividends, or rent from existing properties, lend money, or speculate on real estate are not eligible under the program.

Another category of business immigration - the Immigrant Investment Program - was introduced in 1986 as a means of admitting qualified business persons to Canada on the basis of their willingness to invest capital into business ventures which will create jobs and contribute to business expansion.

Currently in Alberta, two tiers of eligible investments are available. Investors may qualify if:

- 1) They have a net worth of \$500,000 (CDN.) and make an investment of \$250,000 (CDN.) over a three year period in a designated Alberta business or private investment syndicate; or
- 2) They have a net worth of \$700,000 (CDN.) and make a minimum investment of \$500,000, locked in for five years. Investments are encouraged

in a number of industries including plastics, tourist facilities, oil and gas ventures, advanced technologies, and agri-business.

The decision on visa issuance for a prospective business immigrant rests with the Federal Government based on provincial recommendations and the applicant's ability to meet the selection criteria, and health and security checks as required under Canadian immigration laws.

Additional information can be obtained from:

Alberta Career Development and Employment
Immigration & Settlement Programs
14th Floor, Park Square
10001 Bellamy Hill
Edmonton, Alberta T5J 3W5
Phone: (403) 427-0537

LOCATIONAL FACTORS

THE CANADA - U.S. FREE TRADE AGREEMENT

The Canada-U.S. Free Trade Agreement (FTA) entered into force on January 1, 1989. The Agreement is historic because it represents the most comprehensive trade pact ever signed between two countries. The FTA breaks new ground on a number of trade and trade-related issues, such as agriculture, investment, and services. It is also notable because Canada-U.S. trade, estimated at \$185 billion in 1988, represents the largest two-way trading relationship in the world.

The main purpose and focus of the FTA is to break down barriers that discourage or impede trade between Canada and the U.S. These barriers - generally known as tariff and non-tariff barriers - have in the past restricted our access to the U.S. market. More specifically, the FTA will:

- eliminate all tariffs between Canada and the U.S.;
- reduce non-tariff barriers to trade in goods and services;
- further liberalize investment flows between the two countries; and
- establish effective and impartial procedures for the resolution of bilateral trade disputes.

Commencing on January 1, 1989, tariffs will be eliminated in one of three ways:

- some were eliminated immediately;
- others will be eliminated over five years in equal stages; and
- some will be eliminated over ten years in equal stages.

Under the FTA, goods which are manufactured in Canada or the U.S. will qualify for duty free tariff treatment. For products using raw materials or components from other countries, it has been agreed that those goods will qualify only if they have been sufficiently changed either in Canada or the U.S. These "rules of origin" will ensure that the benefits of the Agreement accrue only to manufacturers with plants in either Canada or the U.S.

Investment Provisions

Under the Agreement, Canada will continue to review business acquisitions by U.S. investors, but has agreed to phase in higher review levels. The review threshold for direct acquisitions will be raised from the 1988 level of \$5 million to \$150 million by 1992. Canada has also agreed to eliminate, over the next three years, its current policy of reviewing acquisitions by U.S. investors of Canadian firms already majority-controlled by foreign interests.

In amending the Investment Canada Act, the oil, gas, and uranium industries will be exempted from these changes. This means that the threshold levels for investment review will not be raised in these industries. Canada will also retain its current foreign ownership restrictions in the cultural, telecommunications, and air transport sectors.

Economic Impacts/Investment Opportunities

The FTA will bring significant benefits to the Alberta economy - in effect creating a combined market of 270 million people. Virtually every sector will see its output and employment increase as a result of the Agreement.

Some of the largest gains that Alberta will see are in the resource sector. As agriculture, energy, and forestry are already internationally competitive, increased access to the U.S. market will benefit our producers of meat, livestock, grains, oilseeds, oil and natural gas, and forest products.

Alberta's manufacturing industries are also expected to benefit from the FTA. Of particular importance to Alberta, petrochemical producers will benefit directly from the elimination of the relatively high U.S. tariffs. Similarly, the fashion, apparel, and leather goods industry will see a wide range of new opportunities arising from the FTA.

The service sector is expected to see the greatest benefits. While there will be increased "exports" of oil and gasfield services, engineering, construction services, and tourism, the majority of the additional services required as a result of the FTA will stem from the increased economic activity in the province.

The FTA will also accelerate the development of the province's advanced technology sector, a vital element in Alberta's diversification strategy and already a significant contributor to the provincial economy. With expanded and more secure access to the dynamic U.S. market, new opportunities will emerge for Alberta companies in the areas of biotechnology and pharmaceuticals, computer services, electronics, and telecommunications equipment.

By eliminating tariffs, reducing a number of non-tariff barriers, and liberalizing investment flows, the FTA will encourage substantial new investment in Alberta. Foreign companies will see a number of advantages in investing in the province. The enhanced and more secure access to the large U.S. market that Alberta will enjoy - combined with labour, energy, and raw material costs that are generally more competitive than those in the U.S. - will be a strong incentive to invest in the province.

Additional information on the Canada-U.S. Free Trade Agreement is available from:

Alberta Economic Development & Trade
Policy Development & Coordination Branch
9th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6
Phone: (403) 427-3627
Telefax: (403) 427-5922
Telex: 037-42815

MARKET ACCESS ISSUES

The Western Canadian market of approximately 7.5 million people is growing rapidly - and Alberta, being centrally located, is in an ideal position to access this market. When distance to markets and their relative size are analyzed in combination, Edmonton and Calgary are clearly the preferred locations. Excellent rail, highway and air transportation systems and services provide efficient and cost-effective access to Western Canada from Alberta. Given this market base, Alberta is an excellent location from which to serve California and several other important markets in the United States.

Alberta companies have already been successful in tapping U.S. markets - and, under the Free Trade Agreement, many new opportunities will emerge. Direct highway links to the U.S. interstate system, pipeline connections, air routes to major western U.S. metropolitan centres, plus rail interchanges with American railroads - all help to service this north-south trade.

Alberta firms are also active in world markets, using the combination of rail or road to the Pacific Coast and marine transport from extensive and high quality port facilities along the West Coast.

Alberta's domestic trade is well serviced by two national east-west highways (the Trans-Canada and Yellowhead routes), by the Canadian Pacific and the Canadian National railways, and three of the top 10 airports in Canada in passengers handled. Pipelines provide low cost access to markets east and west, as well as to the south. Intermodal facilities, particularly Alberta Intermodal Services Ltd. (AIS), respond to the needs of exporters and importers. AIS was established by the Government of Alberta to provide Alberta shippers with access to container shipments at volume-related rates.

Several major infrastructure projects are under way or recently completed. Highway capacity is being expanded through twinning of the Yellowhead Highway, for example, and North America's longest railway tunnel has just been completed on the CP route to the Pacific Coast. In the air transportation sector, the new Calgary International Airport terminal, completed in the early

1980's, is currently undergoing expansion. Although ocean ports are outside the province, they are a key element in the transportation system servicing Alberta and they can be accessed by rail and road in less than 24 hours. Financial assistance has been extended to facilities at Prince Rupert and is being provided for the improvement of other ports which act as the province's gateways to the Pacific Rim.

Trucking services in Alberta are deregulated (with the exception of safety regulations) and this has contributed to an efficient and cost-effective industry. At the same time Alberta is taking steps to lessen or remove other transportation barriers to cost-effective trade.

The Alberta Department of Economic Development and Trade provides technical support and funding to firms requiring assistance in moving their product in a more cost-effective manner.

For more information on this subject, please contact:

Executive Director
Transportation Services Branch
Alberta Economic Development And Trade
9th Floor Sterling Place, 9940-106 Street
Edmonton, Alberta T5K 2P6
Telephone: (403) 427-5232
Telefax: (403) 427-5922
Telex: 037-42815

TRANSPORTATION AND COMMUNICATION NETWORKS

Transportation System

Alberta has a highly developed transportation system which includes extensive road and rail systems linked to all parts of Canada and the United States, and excellent air service to both Canadian and international destinations. In addition, Alberta is ideally located to provide low cost access to markets in Western Canada and many parts of the United States.

Some of the highlights of Alberta's transportation system include:

- a network of nearly 20,000 kilometres of paved highways, with both the Yellowhead and the Trans-Canada forming part of a major coast to coast network;
- two of Canada's major railroads, CN and CP, which have launched extensive plant capacity expansions in Western Canada in recent years, improving service, and enhancing Alberta's economic development;

- streamlined access to international markets by supporting construction of large and sophisticated West Coast grain handling facilities and port improvements, and by developing innovative freight and bulk commodity handling systems;
- Alberta Intermodal Services consolidates shipments to west coast terminals, reducing rail costs;
- Head offices of Canadian Airlines International are located in Calgary, and both Canadian and Air Canada offer regular services within the Province and around the world;
- Most leading airlines fly to international airports in Edmonton and Calgary, many offering direct flights to major destinations;
- Regional airlines and charter services operate in nearly one hundred regional airports in smaller centres throughout Alberta;
- Bus Services include one international operation and a number of regional carriers, and more than six thousand owner/operators; and
- a dozen major firms operate in the province's trucking industry.

Communications

Communications media play a vital and ever expanding role in all aspects of today's complex society. This is clearly the case in Alberta, where long distances and widely scattered settlement, remote resource industry operating sites, and an export-oriented business community have helped to spur the development of sophisticated and reliable communications systems.

- Alberta is a world leader in many areas of communications technology.
- Alberta has two of Canada's largest and oldest telecommunications firms, both incorporating sophisticated digital, fibre optic and computer system technologies.
- Alberta has one of North America's most advanced mobile/cellular telephone networks, servicing 70% of the Province.
- ACCESS NETWORK is an innovative provincially owned educational radio and television system which continues to break new ground in distance education.
- Alberta's ten daily newspapers reach 85% of all households and some 250 weeklies have gross circulation of more than a million.

RESEARCH AND DEVELOPMENT INFRASTRUCTURE

The goal of accelerating the development of Alberta's advanced technology community has been translated into a number of positive actions. These include establishing the provincial Government Department of Technology, Research and Telecommunications, opening Research and Development Parks in Edmonton and Calgary, and creating a number of world class centres of excellence.

Alberta Research Council (ARC) - Established in 1921, ARC was Canada's first provincial research council, and for more than six decades has undertaken a broad range of research activities to further economic growth through the development of the province's resources. A Crown Corporation, ARC works closely with industry, providing research capabilities not available through the private sector. Telephone: (403) 424-8855

Biotechnology Pilot Plant (operated by the Alberta Research Council) - assists industry to commercialize biotechnology processes through the scale-up of laboratory research production. The first of its kind in Canada, a \$2.6 million fermentation facility has a 15,000 litre capacity and gives Alberta firms a competitive edge in bringing new biotechnology products to world markets. Telephone: (403) 450-5304

Electronics Test Centre - the only facility of its kind in western Canada, the Centre expedites the development of new electronics products by providing testing and evaluation services. Accredited by national and international certification agencies, the Centre evaluates telecommunications, medical, data processing, office automation and process instrumentation products to required military, government and commercial standards. Telephone: (403) 450-5361

Alberta Microelectronics Centre - assists industry in applying microelectronic technology to production methods through consulting services and feasibility studies, prototype development, technology assessment, application specific integrated circuit design and fabrication, and sensor research and development. Telephone: (403) 432-3914

Centre of Expertise in Hazardous Waste Management - is being developed around the existing Alberta Special Waste Treatment Centre at Swan Hills. The Centre is the first fully-integrated hazardous waste treatment facility in North America and one of the most sophisticated in the world. The Centre of Expertise will include a training school for facility operators, coordinate research and development, and promote the export of Alberta expertise.

Alberta Telecommunications Research Centre - brings private companies together with leading academic researchers through "partners in research" participation by industry, university and government. Participating industry sponsors have access to extensive computing and simulating resources as well as processes, systems and patents developed by the Centre. Facilities are used for joint research in such areas as network access, transmission, core network and circuit techniques. Telephone: (403) 461-3830

Alberta Laser Institute - oriented toward the industrial application of laser technology, the Institute assists the private sector by providing laser technology services on a contract basis. It also offers expertise in feasibility studies,

engineering design, training and education, and conducts research in lasers and robotics. Telephone: (403) 436-9750

Supercomputer Centre - Located at the University of Calgary, the Centre offers the capabilities of a Cyber 205 on a time-share basis to companies involved in research-intensive development projects. Telephone: (403) 220-5465

Centre for Frontier Engineering Research (C-FER) - conducts research related to materials, design and construction for harsh climatic conditions in Arctic and offshore resource development. Telephone: (403) 432-5108

Edmonton Research And Development Park - The Edmonton Research and Development Park, located in Alberta's capital city, offers an outstanding environment for the pursuit of advanced technology activity. The Park is strategically situated in South Edmonton, less than a kilometre from the province's main north-south highway and a 10 minute drive from the Edmonton International Airport. The University of Alberta and the city's central business district are each less than 20 minutes away by car. The 130 hectare (320 acre) research and technology community, comprising the Research Park and the adjacent headquarters and laboratories of the Alberta Research Council, is home to ten organizations employing over 700 scientists, engineers, technicians and support staff. The Park can accommodate the needs of advanced technology industry through the sale of fully-developed properties, long-term land leases and space rental in customized, multi-tenant research buildings. Project financing is also available in some circumstances. Telephone: (403) 462-2121.

Calgary Research and Development Park - The Calgary Research and Development Park is a quality concept to provide a unique research and working environment for research and technology oriented activities, and for high technology manufacturing related to on-site research and development. The Park has 1,066 hectares available for development. All operations locating in the Park must be research or technology oriented. The Land is ready for occupancy pending an anchor tenant that will justify initial servicing. Product manufacture or assembly will be limited to prototype development, or to the manufacture of high technology products that are clearly related to on-site research and development activities. No tenant exclusively engaged in manufacturing or assembly will be permitted to occupy space in the Park. Telephone: (403) 282-0464.

University Research Park - The University Research Park is located near the University of Calgary to facilitate interaction between the University of Calgary and industry. This 125 acre park houses over 30 research tenants in 1,160,000 square feet of developed facilities. Over 1,200 research and support staff work on site. The University Research Park is western Canada's largest and fastest-growing research park. Approximately 12 acres of fully-serviced land are available for long term lease to tenants who meet the research criteria. Telephone: (403) 220-5465

SITE LOCATION CONSIDERATIONS

INDUSTRIAL REAL ESTATE MARKET CONDITIONS

Edmonton Industrial Zones

Market Characteristics	1989	1990
Rents (\$/sq.ft. net)	\$2.75 - 3.25	Increase
Available space (sq.ft.)	3,300,000	Increase
Absorption rate (sq.ft./annum)	800,000	Stable
Industrial taxes (\$/sq.ft.)	\$0.90 - 1.25	Increase

Industrial Zones (1990)	Level of trading activity (buildings)	Availability of serviced land	\$ per acre
1. Northwest	Above normal	Adequate	50K - 125
2. Southeast	Above normal	considerable	50K - 125
3. Northeast	Below normal	Adequate	75K - 125
4. South	Below normal	Adequate	100K - 125
5A. Rural North	Below normal	Considerable	40K - 75
5B. Rural Northeast	Below normal	Considerable	35K - 75
6. Rural West	Below normal	Considerable	30K - 50
7. Rural East	Below normal	Considerable	40K - 75
8. Rural South	Below normal	Considerable	40K - 75

Calgary Industrial Zones

Market Characteristics	1989	1990
Rents (\$/sq.ft.net)	\$3.50 - 4.50	Increase
Available space (sq.ft.)	2,470,000	Decrease
Absorption rate (sq.ft./annum)	1,100,000	Decrease
Industrial taxes (\$/sq.ft.)	\$0.80	Increase

Industrial Zones (1990)	Level of trading activity (buildings)	Availability of serviced land	\$ per acre
1. Northeast	Good	Good	125K - 200
2. Central	Good	Poor	150K - 220
3. Southeast	Good	Good	75K - 125

Source: The Royal LePage Market Survey
Canadian Real Estate 1990

INDUSTRIAL/COMMERCIAL ENERGY RATES

Natural gas utility rates: commercial/industrial accounts

Utility	Area of Service	Firm Service					Interruptable Service ⁷				
		Small		Medium		1-yr Change	Large		Large		Last Change
		(\$/GJ)	(\$/Mcf)	(\$/GJ)	(\$/Mcf)	(%)	(\$/GJ)	(\$/Mcf)	(\$/GJ)	(\$/Mcf)	
Quebec											
Gaz Metropolitain ¹	Quebec	6.41	6.76	4.64	4.89	-6.5	3.93	4.14	3.01-3.95	3.17-4.17	Aug. 89
Ontario²											
Consumers Gas	Toronto,										
	east Ont.	4.18	4.41	3.22	3.40	-7.5	2.80	2.95	2.66	2.81	Apr. 89
ICG Ontario	north Ont.	5.01	5.28	4.43	4.67	+11.6	3.12	3.29	2.96-3.76	3.12-3.97	Jan. 89
Union Gas	south Ont.	3.61	3.81	3.19	3.36	-21.0	2.65	2.79	2.58-2.69	2.72-2.84	Feb. 89
Manitoba											
Greater Winnipeg ³	Winnipeg	3.33	3.51	3.14	3.31	-3.7	3.08	3.25	2.69	2.84	Sept. 89
ICG Manitoba ⁴	rural Man.	3.20	3.37	3.03	3.20	-11.7	2.95	3.11	2.40	2.53	Sept. 89
Saskatchewan											
Provincial Gas	Sask.	3.46	3.65	2.89	3.05	+2.8	2.45	2.58	2.42	2.56	Jan. 89
Alberta⁵											
Cdn. Western	south Alta.	2.15	2.26	1.87	1.97	-7.9	1.52	1.60	n/a	n/a	Apr. 89
Northwestern	north Alta.	2.25	2.37	2.01	2.12	+4.7	1.57	1.66	n/a	n/a	July 89
British Columbia											
BC Gas	Van.,										
	lower B.C.	4.23	4.46	3.78	3.99	0.0	3.34	3.52	2.26	2.38	Jan. 88
Inland ⁶	inland B.C.	4.49	4.74	3.44	3.63	0.0	1.76	1.86	1.44	1.52	Jan. 88

- Additional discounts such as SGRs may be available in some provinces.
- Costs are calculated using rates published by utilities. Heating values vary by utility; in this chart 1.054615 GJ to 1 Mcf is used.
- The small customer category is based on a monthly consumption of 200 gigajoules (189.64 Mcf, 5,372.2m³), 85% of contract demand.
- The medium customer category is based on a monthly consumption of 4,000 GJ (3,792.85 Mcf, 107,443.2m³), 85% of contract demand.
- The large customer category is based on a monthly consumption of 88,000 GJ (83.443 MMcf, 2.364 million m³ or 1 Bcf/yr), 85% of contract demand.

¹ Quebec applies a 9% sales tax on gas used for heating.

² Rates include utility discounts.

³ Does not offer discounts.

⁴ Has only one customer in the large class.

⁵ Do not offer interruptible service.

⁶ No large customers currently buy system gas.

⁷ Specific rates may depend on season, customer location and contract terms.

* indicates change since previous report.

Electricity: commercial industrial accounts

Utility	Area of service	Monthly cost (\$)	Small ¹			Medium ²			Large ³		
			Unit cost (\$/GJ)	1-yr change (%)	Monthly cost (\$)	Unit cost (\$/GJ)	1-yr change (%)	Monthly cost (\$)	Unit cost (\$/GJ)	1-yr change (%)	Last change
Prince Edward Island											
Maritime Electric ⁷	P.E.I.	2,291	21.21	+0.3	28,579	19.84	+0.2	279,221	19.39	+0.1	Oct. 89*
Newfoundland											
Newfoundland Light and Power	Nfld.	1,954	18.10	-5.4	20,908	14.52	-6.3	198,958	13.81	-2.1	July 89
Newfoundland and Labrador Hydro	Labrador & West Nfld.	2,141	19.83	0.0	23,103	16.04	0.0	160,400*	11.14	+0.9	July 88
Nova Scotia											
Nova Scotia Power	N.S.	2,494	23.10	+3.1	24,700	17.15	+5.8	225,442	15.65	+7.7	Apr. 89
New Brunswick											
N.B. Power	N.B.	1,895	17.55	0.0	20,421	14.18	0.0	193,070	13.41	0.0	Apr. 85
Quebec											
Hydro-Quebec	Que	1,804	16.70	+4.0	19,403	13.47	+4.0	158,530 ⁵	11.01	+3.0	May 89
Ontario											
Ontario Hydro ⁸	Rural Ont.	1,893	17.53	+9.4	23,123	16.06	+9.3	196,520 ⁹	13.65	+7.7	Jan. 89
Toronto Hydro ⁸	Toronto	2,065	19.12	+5.9	23,553	16.36	+13.3	212,106	14.73	+2.0	Feb. 89
Manitoba											
Manitoba Hydro ⁸	Man.	1,396	12.93	+6.4	15,289	10.62	+12.4	130,809	9.08	+6.0	Apr. 89
Saskatchewan											
Sask Power	Sask.	2,095	19.40	+3.8	24,735	17.18	+5.7	185,342	12.87	-0.9	Jan. 89
Alberta											
Alberta Power ⁶	Alta. north	1,566	14.50	-10.4	14,912	10.36	-10.2	117,043	8.13	-12.1	Mar. 89
Edmonton Power ⁶	Alta. central	1,872	17.34	0.0	21,153	14.69	0.0	145,942	10.13	0.0	Apr. 88
TransAlta Utilities ⁶	Alta. south	1,715	15.88	0.0	16,616	11.54	0.0	135,262	9.39	0.0	May 88
British Columbia											
B.C. Hydro ⁸	B.C.	1,536	14.23	0.0	16,071	11.16	0.0	133,093	9.24	0.0	Apr. 86

- All costs are calculated using the rules for firm power published by the electricity utilities. Special tax rebates are included.
- Electricity conversion factor: 3.6 MJ/kWh.

¹ Calculated on the basis of 100-kW demand, 30,000-kWh/month consumption. (Power factor: 90%)

² Calculated on the basis of 1,000-kW demand, 400,000-kWh/month consumption. (Power factor: 90%)

³ Calculated on the basis of 10,000-kW demand, 4,000,000-kWh/month consumption, (Power factor: 90%), assume the customer has own 50-kV transformer.

⁴ Does not include an extra charge based on the customer's assets value.

⁵ Includes a high-voltage discount.

⁶ Alberta utilities' rates listed include EEMA credits and tax credits.

⁷ Includes a P.E.I. government rebate of 1.4% and an industrial rebate of 20% for the month of September.

⁸ Include a prompt payment discount.

⁹ Based on weighted average charges; rates vary with time of use.

* indicates change since previous report.

Gasoline prices, industrial and retail

(¢/L, all taxes excluded)

	Contract prices			Retail prices October 17		
	Regular	unleaded	1 month change	Leaded	Unleaded	Prem.
	(\$/gigajoule)		(%)			
St. John's	24.0-26.0	6.93-7.50	0.0	32.4	35.0	37.6
Charlottetown	22.0-24.0	6.35-6.93	0.0	32.2	33.9*	35.9*
Halifax	21.0-23.0*	6.06-6.64	-4.3	31.5	32.4	34.1
Saint John	22.0-24.0	6.35-6.93	0.0	29.3*	31.6	33.9*
Montreal	20.5-21.5*	5.92-6.20	2.4	30.4*	32.7	37.1*
Toronto	20.0-21.0*	5.77-6.06	5.1	26.4*	28.7*	32.6*
Winnipeg	21.0-22.0	6.06-6.35	0.0	29.0*	30.8*	33.6*
Regina	21.0-22.0	6.06-6.35	0.0	23.5*	25.5*	28.2*
Edmonton	20.5-21.5	5.92-6.20	0.0	29.3	31.3	34.0*
Vancouver	23.0-24.0	6.64-6.93	0.0	29.6	31.5*	34.6*

Petroleum product prices, industrial and retail

(¢/L, all taxes excluded)

Diesel	Contract prices			Retail October 17
			1-mo. change	
	(\$/gigajoule)		(%)	
St. John's	20.5-21.5*	5.30-5.56	+5.0	38.7
Charlottetown	20.5-22.5*	5.30-5.82	+4.9	34.8*
Halifax	19.0-20.0*	4.91-5.17	0.0	34.5
Saint John	19.0-21.0	4.91-5.43	0.0	29.0*
Montreal	19.0-20.0*	4.91-5.17	+8.3	32.9*
Toronto	18.5-19.5*	4.78-5.04	+8.6	29.5
Winnipeg	18.0-19.5	4.65-5.04	0.0	30.3
Regina	18.0-19.5	4.65-5.04	0.0	31.0
Edmonton	17.5-19.0	4.52-4.91	0.0	24.3
Vancouver	19.0-20.0	4.91-5.17	0.0	25.5*

* Indicates change since last report.

Prices in effect October 19. Heating values: Diesel—38.675 MJ/L, Gasoline heating value: 34.656 MJ/L.

Contract prices: Actual prices currently paid by industrial customers for undelivered purchases.

Retail prices: Average prices for the date shown for self-serve outlets, except in Halifax and Saint John.

Source: Canadian Energy Pricing News
October, 1989

BUSINESS SITE LOCATIONS PROGRAM

The Business Site Locations Program provides assistance to companies, from outside the Province, through the site selection process in Alberta. This program has been designed to enable businesses to effectively consider the comparative advantages of suitable locations throughout Alberta. The Business Location Officers work in concert with and assist Alberta Municipalities in collecting critical data to market their communities to active prospects and potential prospects. As well as data gathering, the Business Locations sector assist with site visits and appropriate contacts for prospective clients.

For more information on the Business Site Locations Program, please contact:

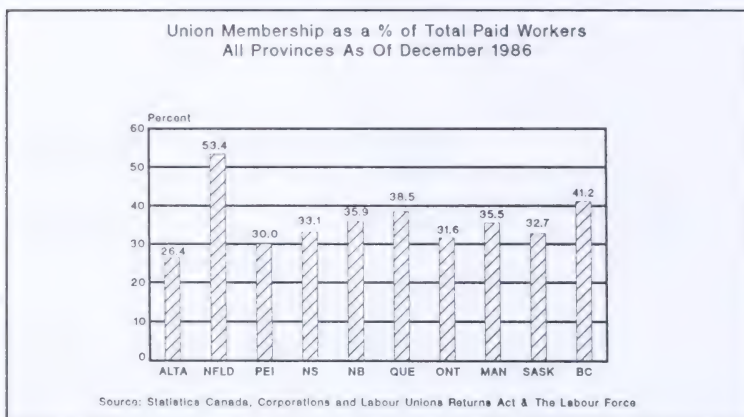
Manager
Business Locations
Alberta Economic Development & Trade
10th Floor, Sterling Place
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LABOUR RELATIONS

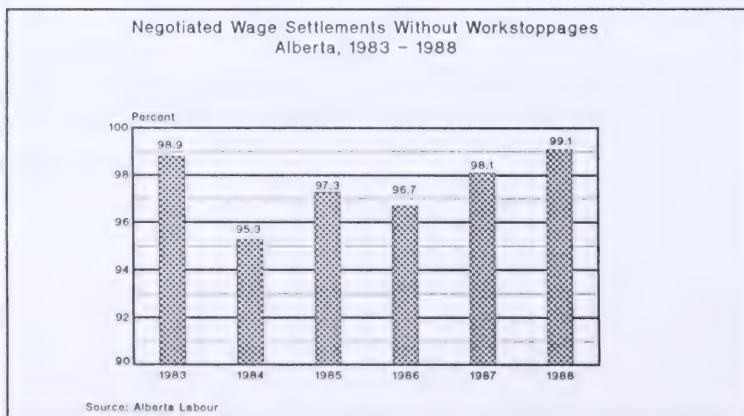
LABOUR RELATIONS CLIMATE

Alberta has long had a stable labour relations system. While inevitably labour disputes arise from time to time, labour and management have often been very innovative in finding solutions to sometimes difficult issues.

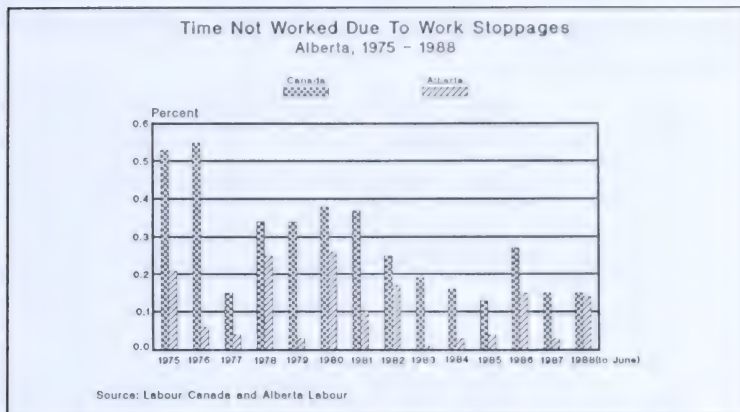
Some indicators of the labour relations climate are presented in the graphs below.



Union membership in Alberta as a proportion of paid workers is lowest among Canadian provinces.

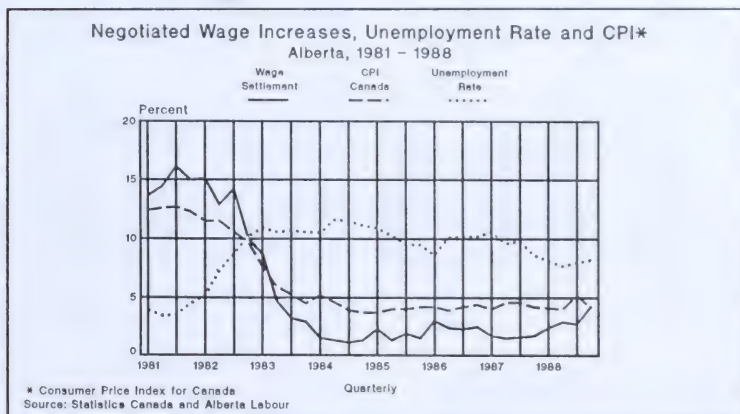


The vast majority of labour negotiations result in a settlement without recourse to strike or lockout.



Since 1975 time lost due to strikes or lockouts has not exceeded 0.6 percent of time worked in Canada nor 0.3 percent in Alberta.

Workers in Alberta have consistently experienced less time loss than the Canadian average. In many years the difference has been dramatic.



Average percentage increases in negotiated wage settlements since early 1983 have been consistently lower than increases in the Consumer Price Index.

Source: Alberta Labour

Average Weekly Earnings Including Overtime of All Employees by Industry, Alberta

	Industrial Aggregate	Forestry	Mines, Quarries, Oil Wells	Manu- facturing	Const- ruction	Transpor- tation	Trade	Finance	Service	Public Adminis- tration
Dollars										
1983 ⁽¹⁾	429.31	493.38	705.04	486.59	539.15	516.70	310.33	407.92	356.24	502.69
1984	439.27	496.68	730.38	501.75	534.83	534.47	317.90	428.24	365.12	512.71
1985	445.39	498.89	755.57	521.17	513.64	546.93	323.50	434.19	367.62	516.87
1986	448.99	503.12	759.57	526.81	496.46	563.71	332.20	437.48	372.79	533.77
1987 ⁽²⁾	450.28	567.79	783.15	526.16	501.10	568.15	327.61	479.98	370.11	544.07
1988 ⁽²⁾	462.76	555.95	826.35	544.16	535.54	587.13	340.57	469.92	374.22	563.05
January	456.30	584.08	815.48	520.32	548.87	580.50	325.73	456.85	371.78	550.78
February	460.61	591.33	828.34	530.78	536.72	589.32	323.52	456.50	376.94	569.85
March	461.47	553.17	821.46	534.49	519.54	586.28	335.19	466.59	375.79	568.13
April	456.50	567.46	828.05	542.11	518.15	581.97	333.16	467.69	369.32	567.62
May	461.27	556.75	827.07	543.57	525.24	586.24	342.60	461.54	372.08	563.68
June	462.76	543.35	823.98	551.56	532.03	585.34	341.29	482.37	374.22	544.68
July	463.14	512.58	817.99	546.44	534.21	591.53	342.16	480.59	375.61	540.94
August	464.45	544.90	815.96	545.43	533.63	586.23	339.64	482.96	378.54	544.73
September	467.27	537.56	825.62	551.95	548.01	589.61	347.16	473.89	376.84	561.04
October	466.81	530.79	832.45	558.37	552.76	585.99	347.44	468.89	372.98	581.38
November	466.61	546.60	845.05	556.48	554.99	587.71	349.85	474.09	372.86	579.80
December	465.03	601.91	835.18	547.69	516.19	594.76	354.89	465.06	373.82	589.38
1989 ⁽²⁾ (p)										
January	469.92	601.20	850.40	554.74	562.40	607.86	348.76	469.27	376.02	593.08
February	467.76	606.40	844.40	556.24	574.99	604.14	344.45	460.73	372.30	600.38
March	478.68	554.08	869.94	558.95	578.84	611.97	363.41	477.11	382.47	591.77
April	476.17	578.92	878.39	558.57	562.69	601.36	357.62	482.03	379.68	591.39
May	478.34	561.61	867.01	564.99	550.92	604.07	363.59	473.42	386.04	583.38
June	486.18	614.82	874.17	567.24	555.26	604.44	359.77	484.94	395.87	592.47
July	490.61	622.34	877.12	563.54	610.76	607.64	356.85	493.55	399.07	580.96
August	489.86	623.53	889.48	566.98	565.66	612.26	364.02	500.85	397.51	580.75
September										
October										
November										
December										

Source: Alberta Statistical Review, Third Quarter, 1989

⁽¹⁾ Data refer to annual average from Mar-83 to Dec-83.

⁽²⁾ Not directly comparable to 1986 and earlier data due to significant survey methodology changes implemented January 1, 1987.

COMPARATIVE LIVING COST SUMMARY

Comparison of Provincial Taxes Payable, 1988

	B.C.	Alta.	Sask.	Man.	Ont.	Que.	N.S.
Provincial Taxes Payable ^(a)	\$4,397	\$3,297	\$4,244	\$4,763	\$4,675	\$4,634	\$4,250

^(a) Based on one-income family of four with a gross annual income of \$40,000. Includes provincial personal income tax, sales tax, health care insurance premiums, tobacco tax, fuel tax, and hotel room tax. Rates as of December 1, 1988.

Source: Alberta Treasury

House Payments and Property Taxes - Detached Bungalow

	Montreal Longueuil	Ottawa Western	Toronto Mississauga	St. James Winnipeg Assinibola	Edmonton West End	Vancouver Burnaby
Average Selling Price July 1988	\$101,000	\$139,000	\$245,000	\$103,000	\$89,000	\$205,000
Down Payment	30,000	30,000	30,000	30,000	30,000	30,000
Mortgage @ 12% 25 Years	71,000	109,000	215,000	73,000	59,000	175,000
Principal, Int. Payments	8,793	13,499	26,626	9,040	7,307	21,672
Property Taxes	1,820	1,850	1,900	2,000	7,307	1,700
Annual Cost	10,613	15,349	28,526	11,040	8,707	23,372

Source: Royal LePage Survey of House Prices - 1989

Average Family Income and Consumer Expenditures - 1987

	Montreal	Ottawa	Toronto	Winnipeg	Edmonton	Vancouver
Average Family Income Before Tax (Provincial Average)	40,113	48,967	48,967	39,709	44,388	42,639
Consumer Expenditures						
Food	5,685	5,638	6,068	4,965	5,454	5,615
Housing	9,059	11,358	11,173	8,439	9,375	8,366
Clothing	2,415	2,898	2,984	2,044	2,458	2,233
Transportation	4,371	5,658	5,914	4,410	5,658	4,761
Health and Personal Care	1,386	1,837	1,625	1,251	1,533	1,414
Recreation, Reading and Education	2,124	2,918	3,015	2,473	2,734	2,804
Tobacco Products and Alcoholic Beverage	1,416	1,348	1,301	1,266	1,196	1,200
Other	846	1,032	1,008	954	1,036	1,081
Total Consumer Expenditures	27,302	32,687	33,088	25,801	29,470	27,974

Source: Family Expenditure in Canada, Selected Cities, 1986 (Catalogue 62-555) Income Distribution by Size in Canada, 1987 (Catalogue 13-207)

Figures were updated to 1987 by Economic Development & Trade based on Statistics Canada Consumer Price Index for selected cities (1986/87).

EDUCATION AND TRAINING

Albertans are very well educated. About 40 percent of Alberta's population has some level of post-secondary education, well above the Canadian average of 31.7 percent. In Calgary and Edmonton, the educational attainment levels are even higher; nearly one out of every five working age persons in these cities has a post-secondary degree, diploma or certificate, while nine out of every ten have been to high school.

Because a highly educated population is important to a diverse and technologically oriented economy, Alberta invests more per capita in education and career development than any other Canadian province.

This investment has had impressive results. Among all Canadian provinces, Alberta has the highest percentage of post-secondary graduates - and the highest per capita concentration of scientists, engineers and technology specialists. Approximately 20,000 engineers are registered in Alberta - nearly double the average North American ratio. And with just 10 percent of Canada's population, Alberta has more than 20 percent of the nation's apprentices.

Apprenticeship and certification programs cover 52 designated trades. Alberta Career Centres provide career information, vocational and educational counselling, testing and referrals for training.

The Advanced Education system currently has 34 post secondary institutions. This includes four universities, three technical institutes, 11 public colleges, four private colleges, four Alberta Vocational Centres, the Alberta Petroleum Industry Training Centre, community vocational centres and the Banff Centre. There are also six schools of nursing affiliated with hospitals.

Alberta Career Development and Employment regularly identifies key labour market issues and develops programmatic responses if required. In addition to the following testing programs, a program to address skill shortages is currently being developed. CONTACT: Manager, Program Delivery, Alberta Career Development and Employment, (403) 422-0046.

Alberta Training Program (ATP)

The Alberta Training Program provides financial incentives to private sector employers for the training and skill development of their employees in order to upgrade the quality of Alberta's workforce. The training must be full-time and may be on-the-job, in a classroom setting or a combination of both. Qualified employers may be reimbursed a daily training allowance of \$25 per trainee and up to 50% of tuition, or instructional costs to a maximum of \$500 per employee. The period of funding will vary depending on occupation or skill level of the employee or training plan.

Alberta Youth Employment and Training Program (AYETP)

The Alberta Youth Employment and Training Program has two elements: Youth Work Experience and Training, and Post Secondary Internship and Training. The youth Work Experience and Training element provides wage and training subsidies to assist young Albertans in obtaining work experience. The program also includes a career counselling component. The Post-Secondary Internship and Training element provides wage and training subsidies to assist recent post-secondary graduates in obtaining full-time employment related to their field of study or level of education. Eligible employers may qualify for wage subsidies for up to six months.

Employment Alternatives Program (EAP)

The Employment Alternatives Program funds private sector employers who provide full-time jobs for social assistance recipients and individuals whose unemployment insurance benefits have run out within the last year. Eligible employers may receive wage subsidies and training allowances for a maximum period of six months.

Alberta International Marketing Employment Program

The Alberta International Marketing Employment Program provides salary subsidies and international travel grants to create full-time jobs and skill development opportunities in the field of international marketing. Eligible employers include those who wish to expand their current international marketing operations or who demonstrate the potential for establishing international export market activities. Private sector employers may qualify for wage subsidies of 50% of an employee's salary to a maximum of \$15,000. Programs must cover a period of one year to a maximum of two years. In addition, employers may qualify for up to \$3,000 to cover international travel and accommodation costs.

Tailor-Made Training Program

The Tailor-Made Training Program is designed to assist firms wishing to adopt new technologies or to develop new products. Under this program, a training program can be tailored to fit the special needs or goals of a particular company. This program affords maximum flexibility to private sector employers wishing to launch new ventures or to expand existing businesses. Funding may be provided to firms for up to 75% of training costs.

Apprenticeship and Trade Certification Programs

Apprenticeship is a training system which leads to journeyman certification in a trade. Under the Apprenticeship Training Program, apprentices are indentured to an employer while learning a trade. The apprenticeship training consists of three to four periods for most trades, with each period comprising three to twelve weeks of classroom technical training and forty to forty-nine weeks of on-the-job learning. Apprenticeship training is a compulsory route to becoming certified as a journeyman in forty-eight of Alberta's fifty-two designated trades. The Journeyman Certification Program provides for the issuance of certificates to qualifying candidates.

Development of standards of proficiency and administration of examinations are also included in this program. Alberta's apprenticeship system also includes the Interprovincial Red Seal Program. This program is designed to increase the mobility of journeymen in the construction, maintenance, repair and service trades. Interprovincial examinations can be attempted by graduating apprentices and those who hold a Journeyman Certificate issued in Alberta or another province that participates in the program.

BANKING AND FINANCE

THE CANADIAN BANKING SYSTEM

Canada has a mature and dynamic banking system. The major Canadian banks have a wide network of domestic and foreign branches, which has given them considerable financial strength and experience for servicing investors and businesses both in Canada and in other countries.

Overview of Banking

Ultimate control of banking in Canada lies with the Bank of Canada, the central bank, and the Superintendent of Financial Institutions. There are six major Canadian chartered banks, each with a large national branch network:

- The Royal Bank of Canada
- Canadian Imperial Bank of Commerce
- Bank of Montreal
- The Bank of Nova Scotia
- The Toronto-Dominion Bank
- National Bank of Canada

As a result of the passage of the revised Bank Act of 1980, foreign banks are allowed to operate subsidiaries in Canada. Fifty-nine foreign bank subsidiaries have been incorporated since the passage of the amendments to the Bank Act in November, 1980. Thirteen major international banks have established offices in Alberta.

In addition to the chartered banks, a range of financial intermediaries, including trust companies, mortgage loan companies, sales finance companies, credit unions and caisses populaires, provide financial services.

Statutory Environment

The powers of the chartered banks are defined in the Bank Act, which places certain important restrictions on their ownership and activities. For example:

- No person or group of related persons can hold more than 10 per cent of any class of the shares of "Schedule A" banks, which include the six major Canadian-owned banks.
- The ownership of shares by non-residents cannot in total exceed 25 per cent of any class of the shares of "Schedule A" banks. The foreign-owned banks operating in Canada are "Schedule B" banks.

- Chartered banks cannot carry on certain kinds of business activity such as estate, trust and agency activities and can only engage in financial leasing, factoring and data processing subject to compliance with issued regulations. As a general rule, chartered banks cannot own more than 10 per cent of the voting equity of Canadian corporations.
- Foreign bank subsidiaries, known as "Schedule B" banks, are subject to few significant additional restrictions other than those relating to size. While the revised Bank Act of 1980 originally limited the total domestic assets of all foreign bank subsidiaries to 8 per cent of the total domestic assets of all banks in Canada, this limitation has been increased to 16 per cent. In addition, the average domestic assets of each individual foreign bank subsidiary may not exceed 20 times the authorized capital limit set for it.
- Recent legislation permits banks to buy or incorporate investment dealer/brokerage subsidiaries, and some have already done so.
- Proposed legislation would substantially reduce the restrictions on the activities of financial institutions. Specifically, banks could be wholly-owned by any regulated financial institution; banks in turn would be permitted to own a trust company and an insurance company.

The Bank of Canada

The Bank of Canada, the central bank, was formed with the passage of the Bank of Canada Act in 1934. The preamble to that Act states that the prime function of the Bank of Canada is to "regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit, to mitigate, by its influence, fluctuations in the general level of production, trade, prices, and employment so far as may be possible within the scope of monetary action and generally to promote the economic welfare of Canada."

The Bank of Canada has five major areas of activity:

- controlling both the supply of notes and coins and the overall supply of monetary aggregates;
- acting as fiscal agent of the federal government (for example, in the purchase and sale of government securities and foreign currencies in the open market);
- acting as an integral part of the payments clearing system;
- operating as a lender of last resort (This includes setting the bank rate which is used as an indicator of government policy towards the price of credit. In 1980, the bank rate ceased to be an administered rate and is now determined as one-quarter per cent above the average yield on the weekly auction of Government of Canada 91-day treasury bills. This rate is still controlled, in part, by the Bank of Canada since the bank is one of the largest purchasers of these instruments); and

- setting the level of secondary reserve requirements of banks over and above the minimums necessary for primary reserves under the Bank Act, which in turn influences the liquidity of the financial system.

Source: Peat Marwick

Investment in Canada, February 1, 1988

THE ALBERTA STOCK EXCHANGE

The Alberta Stock Exchange is one of Canada's five recognized self-regulatory organizations for the investment industry. It is established as a not-for-profit organization owned by its members, currently being forty national and regional investment brokers each holding a "seat" on the Exchange.

It's Board of Governors is composed of eleven elected Member Governors, three elected Public (non-industry) Governors and the President and Chief Executive Officer.

It offers a fully automated trade execution system along with the traditional open outcry auction market system on the Alberta Stock Exchange trading floor. Current listings are 851 issues of which 56% are designated as natural resource companies, 32% as general industrials and the balance of 12% being Junior Capital Pool listings which have yet to identify a target industry.

In 1989, Initial Prospectus Offerings by the Alberta Stock Exchange listed companies raised \$71.5 million. Total financings including secondary financing by Alberta Stock Exchange listed companies exceeded \$1.47 billion.

The Exchange currently lists common and preferred shares, convertible debentures, limited partnership units, share purchased rights, gold and zinc purchase warrants, deposit receipts and debentures.

Five Year Summary

	Share Volume	Dollar Value
1985	229,372,061	292,082,362
1986	369,396,984	476,402,502
1987	740,669,375	971,632,311
1988	694,259,744	463,976,250
1989	754,075,235	741,766,160

For more information and a complete list of member firms, please contact:

The Alberta Stock Exchange
 Stock Exchange Tower
 21st Floor, 300 Fifth Avenue S.W.
 Calgary, Alberta T2P 3C4
 Telephone: (403) 262-7791
 Telefax: (403) 237-0450

*Sources: The Alberta Stock Exchange
 January, 1990*

TAXATION

PERSONAL TAXATION

All other provinces in Canada have higher personal income tax rates than Alberta. The following table compares five of the basic provincial rates.

Provincial 1987 Personal Tax Rates

	Basic Rate (a)
Alberta	46.5%
British Columbia	51.5%
Ontario	50.0%
Quebec	70.0-85.0%
Saskatchewan	50.0%

(a) Basic rate is expressed as a percentage of basic federal tax. Alberta has an additional 0.5% tax on taxable income and a high income surtax of 8% on basic Alberta tax in excess of \$3,500. Saskatchewan has an additional 1.5% tax on net income and a high income surtax of 12% of provincial tax payable in excess of \$5,000. Ontario levies a 3% high income surtax on provincial tax payable in excess of \$5,000. Quebec levies its own personal income taxes on a different base than other provinces.

There are a number of tax deductions and tax credits which serve to reduce taxable income and tax payable, respectively. For example, the full amount of any contributions to a "registered retirement savings plan" may be deducted from income to a maximum of either \$7,500 or 20% of earned income, whichever is less. An Alberta tax credit of up to 30% of an investment in shares in a corporation eligible under the provisions of the Alberta Stock Savings Plan is also available.

There are tax incentives associated with investing. For example, investment tax credits are available for purchases of qualifying buildings, machinery and equipment, to be used in Canada for activities such as farming, fishing, logging or manufacturing.

For further information contact:

Finance Development Sector
Business Finance Development
Alberta Economic Development & Trade
7th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6
Phone: (403) 422-5025

CORPORATE TAXATION

Corporate Income Tax Rates

In Canada, corporate income tax rates vary depending on the type of business or business activity and on the net income of the company. The following section describes tax treatment in Alberta with comparisons to other Canadian provinces. The subsequent material discusses other provisions of the Income Tax Act, such as capital cost allowances (CCA - the tax system analog of depreciation) and capital gains.

The small business tax rate applies to companies that have \$200,000 or less in net income. Manufacturing and processing corporations qualify for a special tax rate. If the latter have \$200,000 or less in net income, they also qualify for the small business tax rate. The general business tax rate applies to companies that are not eligible for these special rates.

The federal tax rates are 28% for general business, 26% for manufacturing and processing corporations (M & P), 12% for small businesses, and 12% for small M & P companies. A federal corporate surtax of 3% applies to federal tax payable. Thus, the actual federal rates are 28.84% (i.e., $28\% \times 1.03 = 28.84\%$) for general business, 26.78% for M & P companies, 12.36% for small business and 12.36% for small M & P companies. These tax rates must be prorated for the corporate tax year. The following table shows combined federal and provincial corporate tax rates for Alberta, British Columbia, Ontario, Quebec and Saskatchewan.

Corporate Tax Rates

Combined Federal/Provincial Income Tax Including Corporate Surtaxes

	General Business ^(a)	Manufacturing & Processing Corporations	Small Business Corporations ^(b)	Manufacturing & Processing Corporations ^(b)
Alberta	43.84	35.78	17.36	12.36
British Columbia	42.84	40.78	33.36	33.36
Ontario	43.34/44.34	42.28	12.36/22.36	12.36/22.36
Quebec	34.74/42.74	32.68	12.36/15.58	12.36/15.58
Saskatchewan	45.84	26.78	12.36/22.36	12.36

^(a) In Ontario, the lower general business rate applies to all primary industries. In Quebec, the lower rate applies to active business income (non-active businesses are professional firms, investment companies, or personal service firms).

^(b) The lower small business rates in Ontario, Quebec and Saskatchewan apply to new start-up businesses.

Other Provisions of the Income Tax Act

Most expenses in the normal course of operating a business are fully deductible from the revenues of the business. For example, wages and salaries, cost of sales, office expenses and freight costs are fully deductible. Automobile

expenses may be deducted only to the proportion of the mileage used for business purposes. Business meals and entertainment expenses are 80% deductible.

Only two-thirds of capital gains are included in a corporation's income, the remainder being tax exempt. Investment tax credits (ITC) are available at a rate of 5% of the expenditures on qualifying buildings, machinery and equipment, to be used in Canada for activities such as logging, farming, fishing or manufacturing. Research and development tax incentives are also available as special ITC's and are fully described in another section of this guide.

Federal CCA rates are frequently treated differently from financial statement depreciation costs. For example, manufacturing equipment may be written off at 40% per annum on a declining balance basis, although this rate will be reduced in future years. Buildings may be written off at 4% on a declining balance basis.

Retail Sales Tax

There is no retail sales tax in Alberta, as shown in the following table:

	Retail Sales Tax Rate (%)
Alberta	0.0%
British Columbia	6.0
Ontario	7.0
Quebec	9.0
Saskatchewan	7.0

For further information contact:

Finance Development Sector
Business Finance Development
Alberta Economic Development & Trade
7th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6
Phone: (403) 422-5025

NON-RESIDENT WITHHOLDING TAX

Non-residents are taxable in Canada on employment and business income earned in Canada and on gains incurred on the disposition of taxable Canadian property. In addition, certain types of payments made to non-residents, both individual and corporate, from Canadian sources are subject to non-resident withholding tax.

The non-resident withholding tax is a flat rate percentage of the gross amount of payments made to a non-resident. The statutory rate of withholding tax is 25 percent; this rate may be reduced or eliminated, however, under one of Canada's tax treaties (see Table). Non-resident withholding tax applies to the following types of payments made to non-residents from a Canadian source:

- interest
- management fees
- timber royalties
- patronage dividends
- pensions & death benefits
- retiring allowances
- certain deferred income plan payments, including registered retirement savings plan payments
- dividends
- estate or trust income
- rents, royalties & similar payments
- annuity payments
- alimony or child support payments
- income-averaging annuity contract payments

Non-residents are not required to file a Canadian income tax return to report the receipt of these types of payments. However, a non-resident recipient of rentals from Canadian real estate or Canadian timber royalties may file a Canadian income tax return with respect to these receipts as if he were a Canadian resident. As a result, the non-resident pays tax on the net amount of such income at the individual or corporate rate of tax applicable to residents rather than withholding tax on the gross amount of the payment.

A similar option is available to non-resident individuals who receive certain types of payment such as alimony, pension benefits, retiring allowances and registered retirement savings plan payments from Canadian sources. The non-resident can elect to be taxed on these types of receipts as if he were a resident of Canada. Consequently, the non-resident files a Canadian tax return and can claim personal exemptions and other deductions in calculating taxable income. Tax is then imposed on such taxable income at the personal tax rate that would be applicable to a resident.

Interest, Dividends, Royalties, and Management Fees

The application of the non-resident withholding tax in respect of particular types of payments is discussed in more detail below.

Interest

There is a significant exemption from withholding tax on interest paid to non-residents by a Canadian resident corporation in certain circumstances. This exemption applies to interest payable by the corporation to a person or entity with whom it is dealing at arm's length on an obligation used after June 23, 1975, provided that not more than 25 per cent of the principal amount of the obligation is repayable within five years on the date of its issue except in the event of failure or default under the obligation or in other limited circumstances.

In addition, withholding tax does not apply to interest paid in a foreign currency to a non-resident on foreign currency deposits with a Canadian chartered bank.

The 25 per cent statutory rate of withholding tax on interest paid to non-residents is generally reduced to 15 per cent under Canada's tax treaties.

Dividends

The 25 per cent statutory withholding tax rate on dividends paid to non-residents is generally reduced to 10 or 15 percent under Canada's tax treaties.

Management Fees

Management fees paid by a subsidiary corporation resident in Canada to its non-resident parent are subject to withholding tax on the premise that they represent an indirect method of distributing the profits of the Canadian subsidiary. However, management fees do not include payment for a specific expense incurred by the parent in the performance of a service for the benefit of the Canadian subsidiary provided that the amount paid by the subsidiary is reasonable in the circumstances.

In addition, a payment by a Canadian resident to an arm's length non-resident is not subject to withholding tax if the payment is for a service performed by the non-resident in the ordinary course of business.

The rate of withholding tax on management fees paid to non-residents is generally reduced under Canada's tax treaties.

Royalties

Copyright royalties and similar payments with respect to the production or reproduction of any literary, dramatic, musical or artistic work are usually exempt from withholding tax, but this exemption does not apply to royalties on motion picture films or films and video tapes for use in connection with television.

The 25 per cent statutory rate of withholding tax on royalties paid to non-residents of Canada is generally reduced under Canada's tax treaties to 10 to 15 per cent.

Use of a Canadian Investment Holding Corporation

In certain circumstances, a non-resident may obtain some tax benefits from using a corporation to hold Canadian investments. There are essentially two types of corporations that can be used for this purpose - a non-resident-owned investment corporation (NRO), a special status corporation under federal income tax legislation, and an ordinary Canadian corporation.

An NRO is a corporation incorporated in Canada that complies with various requirements set out in the federal Income Tax Act. All of the issued shares and funded indebtedness of an NRO must be beneficially owned by non-residents, and the NRO corporation must earn only certain types of income - essentially investment income (including income from the disposition of capital property). Although the tax rules applicable to an NRO are relatively complex, their effect is to tax the investment income of an NRO at the non-resident withholding tax rate rather than at the normal corporate tax rate. Basically, an NRO allows a non-resident to hold investments in Canada through a corporation without adverse tax consequences. In theory, at least, the tax on investment income earned through an NRO is the same as would apply to such income earned directly by a non-resident.

The attractiveness of an NRO as an investment vehicle in any particular circumstance depends on the provisions of any applicable tax treaty and the tax laws in the non-resident's country.

An ordinary Canadian corporation can also be used as a holding company for investment income. In many situations, this alternative is not attractive because income is taxed at full corporate tax rates and withholding tax is payable on dividends paid out of after-tax income to non-resident shareholders.

*Source: Peat Marwick
Investment in Canada
February 1, 1988*

Canada's Withholding Tax Rates

(Based upon information available to September, 1989)

Recipient	Dividends	Interest ^{1,2}	Royalties ¹	Mgmt. Fees ³
<i>Non-treaty Countries</i>	25	25	25	25
<i>Treaty Countries</i>				
Australia	15	15	10	
Austria	15	15	10	
Bangladesh	15	15	10	
Barbados	15	15	10	15
Belgium	15	15	10	
Brazil	15/25 ⁴	15/25	15/25	
Cameroon	15	15	15	
China, People's Republic of	10/15 ⁴	10	10	
Cyprus	15	15	10	
Denmark	15	15	15	
Dominican Republic	18	18	18	
Egypt	15	15	15	
Finland	15	15	15	
France	10/15 ⁴	10	10	
Germany, Federal Republic of	15	15	10	
Guyana	15	15	10	10
India	15/25 ⁴	15	25	
Indonesia	15	15	15	
Ireland	15	15	15	
Israel	15	15	15	
Italy	15	15	10	
Ivory Coast	15	15	10	
Jamaica	15	15	10	12.5
Japan	10/15 ⁴	10	10	
Kenya	15/25 ⁴	15	15	15
Korea, Republic of	15	15	15	
Luxembourg ⁵	10/15 ⁴	15	10	
Malaysia	15	15	15/25	
Malta	15	15	10	
Morocco	15	15	10	
Netherlands	10/15 ⁴	15	10	
New Zealand	15	15	15	
Norway	15	15	10/15	
Pakistan	15	15	15	
Papua New Guinea ⁵	15	10	10	
Philippines	15	15	10	
Poland ⁵	15	15	10	
Romania	15	15	10/15	
Singapore	15	15	15	
Spain	15	15	10	
Sri Lanka	15	15	10	
Sweden	15	15	10	
Switzerland	15	15	10	
Thailand	15	15	15	
Trinidad-Tobago	15	15	15	
Tunisia	15	15	15/20	
United Kingdom	10/15 ⁴	10	10	
United States	10/15 ⁴	15	10	
USSR	15	15	10	
Zambia ⁵	15	15	15	

Notes

- Where interest or royalties of fair market value are paid or credited in non-arm's length circumstances, most treaties have an explicit provision requiring higher withholding rates. Most so-called "cultural royalties" are exempt from or subject to a lower rate of withholding tax.
- Interest paid on certain government securities or on loans made or guaranteed by the Canadian Export Development Corporation are usually exempt from withholding taxes or are subject to a lower rate.
- Where there is no specified reduction in the withholding rates for management fees or no reduction in the maximum withholding rate with respect to all income, the rate of withholding on management fees will generally be 25 per cent.
- The lower rate of withholding tax on dividends is applicable where the beneficial owner of the dividends is a company that owns a minimum specified percentage equity in the payor company. The percentage varies from treaty to treaty as does the description of the equity required to be owned. The relevant percentages and equity descriptions are summarized as following: Brazil, India - 10% of Equity - Luxembourg (treaty not yet ratified) and the Netherlands - 25% of Equity - China, France, Kenya, United Kingdom, United States - 10% of Voting Stock - Japan - 25% of Voting Stock.
- As at September 30, 1989, the treaties with Luxembourg, Papua New Guinea, Poland and Zambia were still awaiting ratification and the rates shown may not yet be in effect. There are fine distinctions among the treaties as to what constitutes dividends, interest, royalties or management fees eligible for the reduced rates of withholding. Where more than a general knowledge is required, the relevant treaty should be examined.

TAX TREATIES

Canada has reciprocal tax treaties with many other countries for the purpose of avoiding double taxation and preventing fiscal evasion. In recent years, Canada has been both expanding its existing tax treaty network and renegotiating older treaties. These new and revised treaties generally follow the Model Convention for the Avoidance of Double Taxation adopted by the OECD.

Canada's tax treaties affect the tax treatment of business income earned in Canada by non-residents and branch tax, which is imposed on the business profits earned in Canada by non-resident corporations, and provide for lower rates of withholding tax in respect of dividend, interest, rents and royalty payments to non-residents.

Special treatment in the form of tax-sparing clauses is provided for in some of Canada's tax treaties with developing countries. These countries, under local development incentive programs, sometimes exempt from foreign withholding tax certain payments made to Canadian residents (usually interest, portfolio dividends and royalties). The tax-sparing clauses contained in these tax treaties allow the Canadian recipient to claim a foreign tax credit for Canadian tax purposes as though the foreign tax had actually been withheld.

The status of Canada's tax treaties is set out on the table of the following page.

*Source: Peat Marwick
Investment in Canada
February 1, 1988*

Tax Treaty Status as at September 1989

	Treaty in force ¹	New Treaty	
		Under negotiation	Signed-waiting to be ratified
Argentina	•	•	
Australia (1980)	•		
Austria (1976)	•		
Bangladesh (1982)	•		
Barbados (1980)	•		
Belgium (1975)	•		
Brazil (1984)	•		
Bulgaria		•	
Cameroon (1982)	•		
China, People's Republic of (1986)	•		
Cyprus (1984)	•		
Czechoslovakia		•	
Denmark (1955)	•		
Denmark		• ²	
Dominican Republic (1976)	•		
Egypt (1983)	•		
Finland (1959)	•		
Finland		•	
France (1987)	•		
Germany, Federal Republic of (1981)	•		
Greece		•	
Grenada		•	
Guyana (1985)	•		
Hungary		•	
India (1985)	•		
Indonesia (1979)	•		
Ireland (1966)	•		
Ireland		•	
Israel (1975)	•		
Italy (1977)	•		
Italy (1989)			•
Ivory Coast (1983)	•		
Jamaica (1978)	•		
Japan (1976)	•		
Kenya (1983)	•		
Korea, Republic of (1978)	•		
Kuwait		•	
Liberia		•	
Luxembourg (1989)			•

	Treaty in force ¹	New Treaty	
		Under negotiation	Signed-waiting to be ratified
Malaysia (1976)	•		
Malta (1988)	•		
Mexico		•	
Morocco (1975)	•		
Netherlands (1986)	•		
Netherlands Antilles		•	
New Zealand (1980)	•		
Nigeria		•	
Norway (1966)	•		
Norway		•	
Pakistan (1976)	•		
Papua New Guinea (1987)			•
Philippines (1976)	•		
Poland (1987)			•
Portugal		•	
Romania (1978)	•		
Senegal		•	
Singapore (1976)	•		
South Africa (1956) ³			
Spain (1976)	•		
Sri Lanka (1982)	•		
Sweden (1983)	•		
Switzerland (1976)	•		
Tanzania		•	
Thailand (1984)	•		
Trinidad/Tobago (1966)	•		
Trinidad/Tobago		•	
Tunisia (1982)	•		
Turkey		•	
United Kingdom (1985)	•		
United States (1984)	•		
USSR (1985)	•		
Windward and Leeward Islands (Antigua, Belize, Dominica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent)		•	
Yugoslavia		•	
Zambia (1984)			•
Zimbabwe		•	

Notes

¹ Date in brackets is year agreement or convention was signed or the date the latest protocol was signed.

² The French and English language versions of this treaty were approved in 1988, but the Danish language version remains outstanding.

³ Terminated unilaterally by Canada on September 13, 1985 as part of economic sanctions.

RESEARCH AND DEVELOPMENT TAX INCENTIVES

Companies or individuals which conduct scientific research and experimental development qualify for special tax treatment. Qualifying expenditures for R & D, net of any government or non-government assistance, are claimed under the category of special investment tax credits (ITC).

To qualify for tax benefits, the R & D expenditures must relate to scientific research, which is defined as a "systematic investigation or search carried out in a field of science or technology by means of experiment or analysis". The definition is broken down into three areas:

Basic Research - work undertaken for the advancement of scientific knowledge without a specific practical application in view.

Applied Research - work undertaken for the advancement of scientific knowledge with a specific practical application in view.

Development - the use of the results of basic or applied research for the purpose of creating new, or improving existing materials, devices, products, or processes. Routine engineering or routine development does not qualify as R & D.

Revenue Canada, Taxation, has published an information circular (No. 86-4) that provides a detailed guide to the identification of eligible R & D expenditures. Also relevant to the determination of qualifying R & D expenditures are the bulletins "Scientific Research Expenditures and Allowance" (IT-151R2) and "Investment Tax Credit" (IT-331R).

Tax Benefits - The Research Corporation

Immediate Write-Offs (Expenditures in and outside Canada) - Specifically defined R & D expenditures made in Canada in respect of both a current and a capital nature (excluding expenditures for land) may be deducted in the year incurred.

The rules regarding scientific research expenditures made outside Canada are much more stringent than those incurred domestically. These expenditures can only be deducted by a taxpayer carrying on business in Canada under a number of conditions.

Investment Tax Credit Most R & D expenditures of a current and capital nature qualify for the investment tax credit. The credit is calculated as a percentage of the qualified expenditures and is applied directly to reduce federal taxes payable from all sources of income.

Manufacturing and Processing Profits Deduction (M & P) R & D costs incurred directly by a corporation, i.e., the corporation performs the R & D either itself or through a joint venture arrangement, are included in the calculations for the M & P tax credit, which reduces corporate tax payable. This credit is computed by means of a complex formula.

Government Assistance A number of grants are available for R & D from the Federal Government and from many provincial governments. It is important to note that government grants effectively reduce deductible R & D expenditures on a dollar-for-dollar basis when immediate write-offs are claimed. However, the grants do not reduce the amount eligible for investment tax credits or for designation for the Scientific Research Tax Credit (SRTC) or the Share Purchase Tax Credit (SPTC).

Tax Benefits - The Investor

There are also various tax shelters available to investors. These include partnerships and joint ventures and a number of flow-through tax credit securities, which research corporations are offering to investors.

Limited Partnerships and Joint Ventures - All taxpayers who invest directly or indirectly in an R & D project are entitled to immediate tax deductions for the full amount of their share of the qualified expenditures incurred under the R & D project. Most R & D ventures will be structured so that a substantial portion of the amount invested is fully deductible in the year the investment is made. This type of investing does not include investing in shares or debt of the research corporation.

Scientific Research Tax Credit (SRTC) - Under the Scientific Tax Credit (SRTC) mechanism, the R & D corporation issues shares, debt or royalty interests at a set amount. The first registered individual holding the financing vehicle, other than a broker or dealer, is entitled to a special scientific research tax credit equal to about 50% (depending on the province of residence) of the amount designated by the R & D company. Corporations investing in SRTC investments receive a flat 50% credit against Federal taxes. The amount designated can, and often will be the price paid for the shares. However, the amount eligible to be designated must be reduced by provincial grants received on the shares.

Since the incentive is in the form of a tax credit, individual investors in lower tax brackets will benefit the same as those in higher tax brackets.

Share Purchase Tax Credit (SPTC) - Under the Share Purchase Tax Credit (SPTC) mechanism, an investor will purchase qualifying shares and receive a tax credit of up to 25% of the amount of the purchase price of the shares against his Federal taxes payable. Both the SRTC and SPTC credits reduce the cost of the investment on a dollar-for-dollar basis.

Those wishing to proceed with R & D programs or offerings to the public will require the services of professional tax and legal advisors to ensure project eligibility and to assess the associated income tax aspects.

To acquire interpretation bulletins or for other questions, contact:

Revenue Canada, Taxation
Information Services
875 Heron Road
Ottawa, Canada
K1A 0L8
Telephone: (613) 598-2275.

*Source: Deloitte Haskins & Sells;
Business Finance Development,
Alberta Economic Development and Trade.*

DEVELOPMENT OPPORTUNITIES IN ALBERTA

Expansion and diversification of the process and manufacturing industry in Alberta is actively encouraged. It is Alberta Government policy to encourage local processing of resources to obtain maximum employment and investment benefits from resource up-grading as a means to achieve the goal of further diversification.

Manufacturing volume has risen steadily over the past decade, particularly in sectors such as petroleum refining, chemical and chemical products, metal fabrication/machinery, food processing and beverage sectors where expansion has closely related to energy resources development, new construction and population growth in the province. The foundation for further diversification of Alberta industry has been established. Furthermore, Alberta is also at the centre of the growing Western Canadian market and is located favourably to supply the north-western United States markets.

Several process and manufacturing industry development opportunities are available for direct investment, joint venture and licensing arrangements in Alberta industry. Opportunities have been identified in the following areas.

Conventional Crude Oil

Alberta's 1988 production of crude oil and equivalent amounted to 1.6 million barrels per day, 83 per cent of the country's oil production. About three quarters of this production is exported to other Canadian provinces and into the U.S. The balance is refined or consumed within Alberta.

Overall market prospects are excellent. The province's proximity to the large U.S. market ensures continued market growth. The free trade initiative between Canada and the United States confirms Canada's present policy in energy, which is based on world prices and essentially free markets within North America.

Alberta's extensive pipeline system covers more than 112,000 miles within the province, and is a vital factor in oil and natural gas prospects. Pipelines connect in all directions, supplying eastern Canada, part of British Columbia and a substantial part of the U.S.

Enhanced Oil Recovery

Alberta is a world leader in enhanced oil recovery (EOR) - the use of highly complex techniques to improve recovery rates from partially depleted reservoirs. Water injection, commonly referred to as secondary recovery technology, is the most common EOR method and is common practice in Alberta oil fields.

The Government of Alberta is committed to the development and implementation of EOR projects. The principal provincial EOR program essentially reduces current royalties payable in exchange for future royalties from the incremental production derived from the miscible flood. This is termed "4.2 Relief" after the section of the Petroleum Royalty Regulations on which it is based.

Heavy Oil

Heavy oil is thick and viscous. A major market of heavy oil is asphalt used for highway paving, shingles and roofing tar.

Remaining established reserves of conventional heavy oil in Alberta contain an estimated 334 million barrels. Only a small percentage, however, is recoverable by primary methods. Thermal projects are in operation which use and develop new technology to recover heavy oil.

Most heavy oil is exported to the U.S. Midwest. With upgrading facilities to turn heavy oil into lighter conventional oil for refining, Alberta refineries would be assured of a compatible feedstock as conventional light crude oil supply declines. Industry and government interest in this aspect of energy development is increasing.

Natural Gas

Alberta accounts for 86 percent of Canada's production of natural gas.

Approximately 75 percent of Alberta's natural gas production is exported to eastern Canada and the U.S. The balance is used in Alberta for heating, generation of electricity and as petrochemical feedstock.

Market prospects look especially promising. As Canadian natural gas exports have become deregulated, Alberta producers have been able to price competitively in the key markets of California and Midwest states such as Illinois and North Dakota.

Natural gas requires processing to separate various components, which can include ethane and other natural gas liquids, as well as methane, the natural gas used for most heating. Demand is on the upswing for natural gas liquids, used for a variety of purposes, including feedstock and dilution of crude oil in pipelines.

Sulphur, produced from the hydrogen sulphide removed from raw natural gas streams, is of growing importance. Alberta's sulphur is shipped world-wide and accounts for about 45 percent of the world's sulphur trade. The 1988 average world price for sulphur was \$75.80/tonne; revenue to producers reached \$583 million.

Oil Sands

Oil sands development is progressing rapidly in terms of productivity, reliability and efficiency, both for surface mining and in situ extraction.

The drive to use new technology to reduce unit costs and improve reliability in surface mining is showing marked results. In 1989, Syncrude produced synthetic crude oil at an operating cost of \$15 per barrel and recovery factors of up to 92 percent are being attained for surface mines. These facts are a tribute to Alberta's skill in the extraction of high-quality oil from sands.

The market for oil sands production is promising. Synthetic crude and bitumen output have risen rapidly over the last five years, with U.S. Midwest refiners taking the largest portion. Direct pipeline connections into Chicago position the province well to compete in this large market.

Petrochemicals

Alberta already has a moderate sized petrochemical industry based on plentiful supplies of hydrocarbon resources. This industry is competitive in international markets and offers future investment opportunities for the manufacture of additional ethylene derivatives. These could be made from ethylene purchased from existing, announced and potential world scale crackers based on ethane or from captive facilities built in conjunction with derivative plants. Significant volumes of other natural gas liquids and refinery off-gases offer other upgrading opportunities.

Alberta's position as Canada's major source of natural gas and as the world's largest source of export sulphur has led to the development of a large fertilizer industry which serves most of western Canada and much of the U.S. northeast. These strengths, and markets which are expected to continue to grow, will place Alberta in an increasingly advantageous position for fertilizer manufacture.

Non-commodity Chemicals

Western Canada's resource based economy coupled with the availability of products and by-products from Alberta's petrochemical industry suggest some attractive opportunities for non-commodity chemical manufacture. Surfactants based on ethylene oxide, products based on sulphur, agricultural chemicals, amines and styrene derivatives are examples of products that could benefit from the availability within Alberta of raw materials, skilled personnel and infrastructure that have developed as a consequence of Alberta's petrochemical, refinery and oil and gas industries. Western Canadian markets for these and other specialty products in the oil and gas, agricultural, pulp and paper, and mining industries are currently largely served by imported products and represent excellent opportunities for local Alberta manufacturers.

Metals and Minerals

The November, 1989 start up of the first phase of a 62,500 tonne per annum magnesium production facility near Calgary affords an opportunity for die casters to locate nearby and save melting and material costs. Titanium producers too, could attain capital and operating costs savings.

Operations producing bitumen from the Athabasca oil sands create unique opportunities for mineral recovery through further processing. Vanadium pentoxide will be produced from an oil sands plant waste stream by a facility now under construction. Other minerals which might be in future recovered from oil sands plant waste streams include titanium dioxide, zirconium dioxide, gold and alumina.

Other recommended areas of development opportunity for the metal and minerals industry in Alberta include catalyst, heavy metals, alloy and special steels, flat-rolled steel products (hot or cold-rolled, galvanized or coated), structural shapes, wire rod, speciality pipe, manganese/abrasion-resistant steel castings, valve and pump.

Food Industry

The food and beverage industry is the dominant industry in Alberta manufacturing, accounting for over \$4 billion, more than one quarter of Alberta's total manufacturing. There are opportunities for further development of the food processing industry in Alberta due to Alberta's solid base of agricultural resources, and a growing Western Canadian food market with favourable transportation factors for the western North American market.

Further development of the food processing industry in Alberta is encouraged by the provincial government as part of its strategy to diversify and strengthen the Alberta economy. Following are suggested areas for development in the secondary and tertiary food sub-sectors of this Alberta industry.

Frozen Foods - prepared poultry, prepared meat entrees, frozen baked goods products, baked desserts, prepared complete dinners, pasta dishes, ethnic foods and gourmet oriented foods.

Specialty foods - meat products (flaked meats, fabricated meat, specialty sausages, pate, prepared meat products for food service markets), snack food-crackers, specialty cheeses, salad dressings, spreads, soups, condiments, vegetable protein items, biscuits, confectionary, and beverages.

Forest Industry

The vast forest resources in Alberta and its well established primary forest industry afford numerous investment opportunities in the forest industry.

The forestry sector, with lumber, panelboard (plywood, oriented strandboard and medium density fibreboard), bleached kraft softwood pulp, and chemi-thermo-mechanical pulp, contribute about \$1.0 billion annually to the Alberta's gross domestic product and provides over 10,000 direct jobs. With the completion of new projects in newsprint and pulp, its contribution to the Alberta economy will increase significantly.

Alberta is well known for its accommodative investment climate. Together with the special characteristics of the province's forest resources, it creates an excellent environment for investment in the forest industry characterized by, among other factors, high quality forest resources with arguably the lowest wood cost in North America, relatively low energy costs, and research and development support.

Investment opportunities are quite diverse. They include primary manufacturing of pulp and lumber, value-added manufacturing of paper (including newsprint), and specialty lumber and panelboard products (plywood, laminated veneer lumber, waferboard and particleboard).

Substantial investment activity has already taken place in the province's forest industry in recent years. Major investment projects completed, currently underway or announced include two chemi-thermo-mechanical pulp mills, a newsprint mill, two bleached kraft pulp mills, and three sawmills.

Agricultural Machinery

Alberta is an annual half billion dollar market for the farm implement industry. Its farm implement manufacturers currently export 60% of provincial production outside the province, primarily to the other prairie provinces and north western U.S. - testimony to the durability of the Alberta product, the service provided by its companies, and the stability of the industry. Many of the products produced are recent and innovative steps toward greater agricultural productivity - efficient solutions to productivity problems.

Investment opportunities for the following types of agricultural implements exist in the province - cultivators, self propelled and high capacity output sprayers, fertilizer applicators - both liquid and solid, complete grain handling, tilling and cleaning systems, hay handling and storage systems, rotary and pull type combines, swathers and direct cutting machines, irrigation systems, and wear parts. Innovative electronic control systems and irrigation systems are also manufactured, and provide excellent investment opportunities.

Engineering Consulting and Construction

Alberta has a strong engineering and construction industry which is a significant advantage to locating industrial and commercial projects in the Province.

Alberta's development of natural resources has, from time to time, created opportunities in certain disciplines and specialties such as chemical and process engineering, special electronics, mining, forest products, machinery design, tool and die engineering, and coal conversion technology.

Some potential opportunities might exist in specialty areas like pipe stress analysis, rotating machinery, heavy oil upgrading and extraction process technology, energy conservation technology, forest products, food processing and mineral processing plants, and energy recovery systems.

Furniture

The institutional and office furniture manufacturing sector is gaining prominence with Alberta evolving as the hub of the Western Canadian and the Pacific Northwest markets.

The furniture sector requires local availability of product components such as molded foam products, hardware and related parts. Opportunities in finished product areas including furniture to meet needs of computer and other electronic hardware within the office environment, and institutional and residential furniture.

Consumer Products Industry

This section consists of over 350 companies accounting for over \$650 million in manufactured shipments, which constitutes over 2% of Alberta's total shipments. Alberta consumer product manufacturers employ over 6,000 workers or 8% of Alberta's manufacturing sector.

Further immediate opportunities for development in the consumer products industry are in textiles (fabrics), clothing and soap products.

Medium term opportunities exist in sporting goods, hardware and plastic housewares, footwear products, toys and games, small household and garden appliances, and commercial products and packaging.

Machinery, Metal Fabrication, and Transportation Equipment

These sections account for 20% of the value added in the manufacturing sector. They have a profile of strong, stable growth which has resulted in an industry with adequate physical, human and financial resources.

While these sectors were developed to supply the needs of the Oil and Gas industry, they are becoming increasingly diversified. This in turn has created investment opportunities to support expansion of markets, and development of new products.

Areas of possible investment or joint venture include: forest industry equipment; components for heavy transportation equipment; water treatment

equipment; environmental or recycling technology; specialty oil field tools; and pipe fittings and valves.

Plastics

The plastics processing industry in Alberta is well diversified and expanding rapidly. Advantages of an Alberta location include local availability of a variety of plastic resins, and favourable transportation costs to serve Western Canadian and Northwest U.S. markets.

Import replacement and product substitution continue to offer new possibilities for plastics manufacturing. Specific investment opportunities may be found in such areas as construction products, medical products, food and beverage containers, agricultural film, pipe, composites, plastics recycling, and many others.

Biotechnology

Biotechnology is identified as a key area of opportunity for economic growth, and a major player in Alberta's diversification efforts. Through the Department of Technology, Research and Telecommunications, the Alberta Government continues to develop and promote initiatives that benefit our biotechnology industries. Today, the Province has developed recognized strengths in applying biotechnology to the pharmaceutical and health care fields, and agriculture and the food processing industry. Alberta's biotechnology firms are exporting their products and processes to the United States, Western Europe, the Pacific Rim and the Soviet Union.

Specialized facilities include the Biotechnology Pilot Plant, one of only three in North America. It offers 37,000 litres of fermentation capacity for technology scale-up to bring biotechnology to commercial production. Research and development support, including funding, is available through joint research ventures and contract research with this and other members of Alberta's scientific infrastructure. Also available is funding assistance from the Alberta Heritage Foundation for Medical Research (AHFMR) and from venture capital firms such as Vencap Medical Ventures. Technology commercialization assistance is available through Alberta Technology, Research and Telecommunications.

Electronics

The electronics industry in Alberta benefits from our excellent supply of highly trained people from the province's universities and technical institutes. Close cooperation between universities, research organizations and industry is helping to keep Alberta firms at the forefront of technology.

The industry is supported by infrastructure organizations such as the Electronics Test Centre, The Alberta Micro-Electronic Centre, The Alberta Telecommunications Research Centre and The Alberta Laser Institute.

The Alberta electronics industry also benefits from a stable supply of electric power at competitive rates.

Opportunities exist for the manufacture of telecommunications, telemetry, computing, control, biomedical, aerospace, and defence electronic equipment.

Information Technologies

Information technologies, both in hardware and software developments, benefit from Government research, development and commercialization support, and from available design, research and manufacturing facilities and expertise.

Microchip design and manufacturing capabilities, including specialized facilities for Application Specific Integrated Circuits (ASIC), are well established in the province. Research, design and commercialization assistance is also available for robotics, automation and other advanced manufacturing products and processes. In software development, the Alberta Research Council offers expertise in Land Related Information Systems, Geographic Information Systems, and in expert systems with applications to education, weather forecasting and emergency situation management. Software design and commercialization is supported wherever available resources and potential markets make such support feasible.

Alberta is active in supercomputing. Myrias Corporation designs and builds parallel-processor supercomputers for commercial sale; a Myrias supercomputer has been made available to various research centres. The Supercomputer Project provides research and training in vector computing technology including application software. The Project provides supercomputer research and capability to university and industry clients.

Telecommunications

Alberta's telecommunication industry has grown tremendously, fueled by the needs of the energy sector and the long distances between urban areas. Cellular telephones, network management, distance learning, SCADA (Supervisory Control and Data Acquisition) systems and avionics are some areas of specialty. Today, 96 percent of the telecommunication products manufactured in the province are exported to clients in the United States, the Pacific Rim, South America and other areas world-wide. Telecommunications history in the Province is a list of national and international industry firsts.

New developments are supported by unique research and testing facilities, including the Alberta Telecommunications Research Centre, a cooperative effort between government, industry and academia. The Electronics Test Centre provides testing services to national and international certification standards.

The Department of Technology, Research and Telecommunications ensures that public policy supports a high quality, affordable communications system for all Albertans. As part of this mandate, the Department administers the Individual Line Service Program, an Alberta Government initiative to ensure private telephone lines to rural Albertans. Together, Alberta's two carriers, Alberta Government Telephones (AGT) and Edmonton Telephones, form the second largest communications system in Canada.

Aerospace

Having already emerged as a respected participant in Canadian and international aerospace markets, Alberta has yet to realize its potential. Initiatives to achieve lasting regional industrial benefits through aerospace projects are creating attractive market opportunities for Alberta companies. The Alberta Government actively promotes the establishment and expansion of high-technology companies serving the aerospace industry.

Health Care Products

Alberta offers several important advantages to research and scientific related investments. The Alberta Heritage Foundation for Medical Research is responsible for attracting world class scientific researchers providing a high level of investigative activity and support for health care industries.

Excellent opportunities exist in the field of human and veterinary pharmaceuticals, fine chemical production, biologicals, and diagnostics. Major new health care facilities in Alberta's cities and rural areas provide an established market base for medical and surgical devices, hospital equipment and supplies, physiological monitoring equipment, and electronic medical devices. Other opportunities include human pharmaceuticals and dietary products, medical and surgical devices, veterinary pharmaceuticals, equipment and feed additives, fine pharmaceutical grade chemicals, ambulance and emergency equipment, biologicals and diagnostics (including blood fractionating products), electronic medical devices, physiological monitoring equipment, and general hospital equipment and supplies.

Film Industry

Alberta has gained prestige as a versatile location with its varied landscape and terrain. It has attracted an impressive number of film and television

producers of international stature to choose the province as a production location.

In establishing and maintaining a healthy motion picture industry, there are co-production opportunities for theatrical feature films, made for TV films, made for network television (cable) production, documentary and commercial productions, and associated service facilities such as labs, sound studio equipment rentals, and catering.

Tourism

Alberta's Tourism industry is expected to grow to a \$10 billion industry by the year 2000. A combination of geographical uniqueness ranging from the Rocky Mountains, to the Badlands, to the lakes and forests of Northern Alberta create a number of diversified development opportunities for tourism businesses.

Investment opportunities exist for world class destination resorts in the Eastern Slopes of Alberta's Rocky Mountains. Additional significant opportunities are emerging to capitalize upon the family vacation market, the growth of the golf industry, and the positioning of world class museums and historic sites in the Dinosaur Badlands and the Native Indian Head-Smashed-In Buffalo Jump.

For further information on opportunities in Alberta, contact should be made with the following Alberta Economic Development & Trade office:

Managing Director
Investment Promotion Branch
Alberta Economic Development & Trade
12th Flr., Sterling Place, 9940 - 106 Street
Edmonton, Alberta T5K 2P6
Telephone: (403) 422-6236
Telex: 037-42815
Telefax: (403) 427-0487

VENTURE CAPITAL COMPANIES IN ALBERTA

Although the term "venture capital" has only recently become familiar to most people, the investment of unsecured funds in rapidly growing private companies has been popular for many years. In North America, venture capital has evolved from groups of wealthy individuals looking for profitable investment opportunities, to small "institutions" staffed by highly trained professionals with specialized interests ranging from technology start-ups to leveraged buyouts. Today more than ever, capital markets are specializing in response to market needs.

Following are some venture capital companies active in Alberta:

Aeonian Capital Corporation

Suite 3100, 205-5th Avenue S.W.
Calgary, Alberta T2P 2V7
Telephone: (403) 264-4394

Contact(s): C.A. Smith, Drew Burgess

Industries: Chemical, film, forest products,
industrial manufacturing, mining, oil & gas

Dollar Size: Up to \$1,000,000

Alta-Can Telecom Inc.

Floor 26H, 411-1st Street S.E.
Calgary, Alberta T2G 4Y5
Telephone: (403) 231-8535
Telefax: (403) 266-5226

Contact: M. Raymond

Industries: Electronics manufacturing &
distribution with emphasis on
telecommunications, microelectronics
product development & software.

Dollar Size: \$200,000 - \$2,000,000

Alberta Opportunity Company Edmonton Office

Suite 1405, Canada Trust Tower
10104 -103 Avenue
Edmonton, Alberta T5J 0H8
Telephone: (403) 428-6118

Contact: John D. Kennedy

Industries: Chemicals, electronics, communications, EDP hardware manufacturing, EDP
software, forest products, industrial manufacturing, medical/healthcare, and recreation/
tourism

Dollar Size: Range \$250,000 - \$3,000,000

Alberta Opportunity Company Calgary office

790 Southland Tower
10655 South Port Road, S.W.
Calgary, Alberta T2W 4Y1
Telephone: (403) 297-6437

Contact: Gordon Taylor

**Answer Corporation
International Consulting Ltd.**

Corporate Division
750 Royal Trust Twr., Edmonton Centre
Edmonton, Alberta T5J 2Z2
Telephone: (403) 424-4934
Telefax: (403) 424-5374

Contact: Dean Goddard

Industries: Any industry considered,
excluding real estate

Dollar Size: \$50,000 - \$125,000,000

Capital Markets West Inc.

885 Terrace Plaza
4445 Calgary Trail South
Edmonton, Alberta T6H 5R7
Telephone: (403) 436-9330

Contact: Edward Clark, Kerry Brown

Industries: All industries except
real estate & oil & gas drilling. Oil & gas
servicing companies are acceptable.

Dollar Size: Up to \$400,000

The Churchill Corporation

2300 Scotia Place
10060 Jasper Avenue
Edmonton, Alberta T5J 3R8
Telephone: (403) 424-8230

Contact: Emile L. Beaudry

Industries: Construction &
construction related; resource
services & transportation

Dollar Size: \$1,000,000 - \$20,000,000

**Federal Business Development
Bank - Vancouver Office**

Venture Capital Division
700,601 West Hastings Street
Vancouver, B.C. V6B 5G9
Telephone: (604) 666-7815

Contact: Mr. Derek Douglas

Industries: No sectoral preferences. Each case evaluated on its own merits.

Industries Excluded: Real Estate; oil and gas development; mining; banking and mutual
funds.

Dollar Size: No specific limit. Ranges from \$100,000 to \$5 million.
Average investment is \$500/750,000.

Cancon Ventures Inc.

1623 Canada Trust Tower
10104 - 103 Avenue
Edmonton, Alberta T5J 0H8
Telephone: (403) 429-1726

Contact: David Edgar, L.D. Peters

Industries: Any industry will be evaluated
individually

Dollar Size: \$500,000 Maximum

Cavendish Investing Ltd.

2850 Bow Valley Square
205 Fifth Avenue S.W.
Calgary, Alberta T2P 2V7
Telephone: (403) 269-6795
Telefax: (403) 269-2887

Contact: R.A.N. Bonnycastle

Industries: High Technology (data
processing, office automation, micro-
electronics), industrial manufacturing,
proprietary services & retailing

Dollar Size: \$500,000 plus

Congress Resources Inc.

Suite 505, 1550 - 8th Street S.W.
Calgary, Alberta T2R 1K1
Telephone: (403) 229-3200
Telefax: (403) 229-3742

Contact: R.J. Kimoff

Industries: Resources, service,
secondary manufacturing, retail

Dollar Size: \$100,000 - \$1,000,000

**Federal Business Development
Bank - Edmonton Office**

Suite 606, Metropolitan Place
10303 - Jasper Avenue
Edmonton, Alberta T5J 3N6
Telephone: (403) 495-2277

Contact: Mr. Ron Bass

Femco Financial Services Inc.

1790, The Standard Life Centre
10405 Jasper Avenue
Edmonton, Alberta T5H 3N4
Telephone: (403) 428-1556

Contact: William Henning

Industries: Most industries considered.

First Canada Capital Corporation

4222 - 97 Street
Edmonton, Alberta
T6E 5Z9
Telephone: (403) 462-8021

Contact: Richard Caron

Industries: All industries except oil and gas drilling. Preference for high tech, process related, and tourism related companies.

Dollar Size: \$500,000 - \$10,000,000

Gold Bar Developments Ltd.

P.O. Box 3160
Edmonton, Alberta T5J 2G7

Contact: Adrian Newman

Telephone: (403) 420-6666

Industries: Chemical, communications, EDP hardware manufacturing, EDP software, & industrial manufacturing.

Dollar Size: \$100,000 - \$1,000,000

Manvest Ltd.

840 - 6 Avenue S.W.
Calgary, Alberta T2P 2M7
Telephone: (403) 294-5444
Telefax: (403) 262-1369

Contact: Bill Robinson

Industries: No particular favourites, a generalist portfolio. No oil & gas development.

Dollar Size: Investments of approximately \$1,000,000 - \$2,000,000 preferred

Nature Venture Capital Co. Ltd.

202, 11738 Kingsway Avenue
Edmonton, Alberta T5G 0X5
Telephone: (403) 453-3911

Contact: Milt Pahl

Industries: Chemical, computer related, communications, forest products, industrial manufacturing, mining, oil & gas, publishing, retail, wholesale and transportation.

Dollar Size: Up to \$300,000

Peters & Company Capital Ltd.

200, 140 - 4th Avenue S.W.
Calgary, Alberta T2P 0X1
Telephone: (403) 261-4850

Contact: James T. Grenon,
Ronald P. Mathison

Industries: Any industry will be considered.

Dollar Size: \$500,000 - \$10,000,000

Vencap Equities Alberta Ltd. Edmonton Office

Suite 1980, Manulife Place
10180 - 101 street
Edmonton, Alberta T5J 3S4
Telephone: (403) 420-1171

Contact: R.A. (Sandy) Slater

Industries: Will look at most opportunities.

Industries Excluded: Oil & gas exploration & development, real estate, banking, mutual funds and finance, nuclear power and water diversion.

Dollar Size: \$150,000 - \$15,000,000

Vencap Equities Alberta Ltd. Calgary Office

2000 Trimac House
800 - 5 Avenue S.W.
Calgary, Alberta T2P 3T6
Telephone: (403) 237-8101

**Spurt Investment Fund I
(a limited partnership)**

c/o Alta-Can Telecom Inc.
(General Partner)
Flr. 26H, 411 - 1 Street S.E.
Calgary, Alberta T2G 4Y5
Telephone: (403) 231-8535
Telex: 03-821172 CGY
Telefax: (403) 266-5226

Contact: Terry Umback; M. Leonard,
D.F. Campbell

Industries: Advanced Technology product
with high growth potential and world
market

Dollar Size: \$75,000 - \$250,000

**Venture Capital Club of
Edmonton Secretariat**

c/o Clarkson Gordon
1800 Esso Tower, Scotia Place
10060 Jasper Avenue
Edmonton, Alberta T5J 3R8
Telephone: (403) 423-5811
Telefax: (403) 428-8977

Contact: Rick Cormier,
Pam Alloway

Industries: Generally all industries
included. Not acceptable oil & gas
development; real estate; banking &
finance.

Dollar Size: \$100,000 - no maximum

MUNICIPAL GOVERNMENT CONTACT LIST

Numerous municipal programs and services are available in Alberta. In order to learn more about these programs and services, please contact the city economic development officers directly.

A list of city economic development officers follows. For a complete listing of town economic development officers, please contact Alberta Economic Development and Trade at (403) 422-6236.

Calgary

Mr. B.A. McDonald
Executive Director,
Calgary Economic Development
Authority
P.O. Box 2100, Stn. M
Calgary, AB T2P 2M5
(403) 268 - 2771

Calgary

Mr. W.D. Croft
President,
Calgary Research & Development
Authority
Suite 100
3553 - 31 Street N.W.
Calgary, AB T2L 2K7
(403) 282 - 0464

Edmonton

Mr. William F. Allcock
General Manager
Edmonton Economic
Development Authority
#108, 9797 Jasper Avenue
EDMONTON, AB T5J 1N9
(403) 424 - 7870

Edmonton

Mr. Glenn A. Mitchell
General Manager
Edmonton Research Park
203 Advanced Technology Centre
9650 - 20 Avenue
Edmonton, AB T6N 1G1
(403) 462 - 2121

Airdrie

Mrs. Allison Gray
Economic Development Officer
City of Airdrie
Post Bag #5
Airdrie, AB T4B 2C9
(403) 948 - 5907

Camrose

Mr. D. Twomey
Economic Development
Coordinator
City of Camrose
5204 - 50 Ave.
Camrose, AB T4V 0S8
(403) 672 - 4426

Drumheller

Mr. Laurie Reiffenstein
General Manager
Drumheller Regional Business
Development Corp.
Box 999
Drumheller, AB T0J 0Y0
(403) 823 - 8100

Fort McMurray

Mr. Terry Langis
Economic Development Officer
City of Fort McMurray
9909 Franklin Avenue
Fort McMurray, AB T9H 2K4
(403) 743 - 7883

Fort Saskatchewan

Mr. Gary L. Hudson
Manager, Planning &
Development Services
City of Fort Saskatchewan
10005 - 102 St
Fort Saskatchewan, AB T8L 2C5.
(403) 998 - 2266

Grande Prairie

Mr. Greg Varricchio
Administrator of Planning
& Development Department
City Hall
9902 - 101 Street
Grande Prairie, AB T8V 2P5
(403) 538 - 0300

Leduc

Mr. John Barnard
Executive Director
Leduc-Nisku Economic Development
Authority
Suite 218B, 5904-50 St.
Leduc, AB T9E 6J3
(403) 986 - 9538

Lloydminster

Mr. Peter Vana
Director, Planning & Development
City of Lloydminster
5011 - 49 Avenue
Lloydminster, AB/SASK. S9V 0T8
(306) 825 - 6184

Red Deer

Mr. Alan Scott
Manager, Economic Development
City of Red Deer
P.O. Box 5008
Red Deer, AB T4N 3T4
(403) 342 - 8106

St. Albert

Mr. Bruce Randall
Economic Development Officer
City of St. Albert
5 St. Anne Street
St. Albert, AB T8N 3Z9
(403) 459 - 1631

Lethbridge

Ms. Helen Henderson
Director, Economic
Development
City of Lethbridge
City Hall, 910-4 Ave South
Lethbridge, AB T1J 0P6
(403) 320 - 3910

Medicine Hat

Manager, Economic
Development Department
City of Medicine Hat
City Hall, 580 -1 St. SE
Medicine Hat AB T1A 8E6
(403) 529 - 8353

Spruce Grove

Mr. John Cosgrove
City Manager
City of Spruce Grove
410 King Street
Spruce Grove, AB T7X 2Z1
(403) 962 - 2611

Wetaskiwin

Mr. John Van Doesburg
Economic Development
Coordinator
City of Wetaskiwin
Box 6266
Wetaskiwin, AB T9A 2E9
(403) 352 - 3344

SELECT ALBERTA GOVERNMENT DEPARTMENTS AND AGENCIES

The following departments of the Alberta Government may provide valuable assistance in your business planning. Each department administers various programs and services that may be applicable to your firm. For a complete list of these and other federal government programs and services, please refer to the Alberta Business Program Guide or contact Alberta Economic Development and Trade at one of the addresses below.

a) Department of Economic Development and Trade

The mission of Alberta Economic Development and Trade is to provide leadership in the coordination, development and implementation of the provincial government's economic development and diversification strategy so that the short and long-term economic well-being of Albertans will be improved. This will be accomplished by working with departments of the Government of Alberta, the Alberta business community, foreign buyers and investors, and with other governments and associations.

Edmonton: Alberta Economic Development and Trade
Sterling Place
9940 - 106 Street
Edmonton, Alberta T5K 2P6
Phone: (403) 422-5540

Calgary: Alberta Economic Development and Trade
Calgary Office
5th Floor
999 - 8 Street S.W.
Calgary, Alberta T2R 1J5
Phone: (403) 297-6284

Investment Promotion Branch

The Investment Promotion Branch exists to enhance the economic growth and further diversification of the Alberta economy by promoting economic opportunity in the province internationally and facilitating investment in this regard. This is accomplished by promoting awareness of Alberta's economic capabilities and investment opportunities to the international investment/financial community through institutions, individuals and government agen-

cies. Investment in this sense includes active and passive investment, business immigration, joint ventures and technology transfer agreements.

Edmonton: Investment Promotion Branch
Alberta Economic Development and Trade
12th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta T5K 2P6
Telephone: (403) 422-6236
Facsimile: (403) 427-0487
Telex: 037-2197

b) Department of Career Development and Employment

The mission of Alberta Career Development and Employment is to support the development and maintenance of an appropriately skilled labour force in Alberta. To fulfill this mission, the Department assists individuals to prepare for, gain, and retain meaningful employment, and assists employers to obtain or train skilled labour. The Department contributes to the creation of employment opportunities in the Province by operating employment, training, immigration and other human resource development programs and services designed to assist in the achievement of Alberta's social and economic goals.

To access departmental programs and services, contact:

Executive Director
Apprenticeship and Trade Certification
Career Development and Employment
Park Square, 10001 Bellamy Hill
Edmonton, Alberta T5J 3W5
Telephone: (403) 427-8765

Executive Director
Training and Employment Programs
Career Development and Employment
Park Square, 10001 Bellamy Hill
Edmonton, Alberta T5J 3W5
Telephone: (403) 427-4746

Regional Director, South Region
Career Development and Employment
Century Park Place
855 - 8th Avenue, S.W.
Calgary, Alberta T2P 3P1
Telephone: (403) 297-5109

Director, Immigration and Settlement Programs
Career Development and Employment
Park Square, 10001 Bellamy Hill
Edmonton, Alberta T5J 3W5
Telephone: (403) 427-0537

Regional Director, North Region
Career Development and Employment
#105, 9621 - 96 Avenue
Peace River, Alberta T0H 2X0
Telephone: (403) 624-6531

Regional Director, Central Region
Career Development and Employment
Room 420, 9942 - 108 Street
Edmonton, Alberta T5K 2J5
Telephone: (403) 422-0046

c) Department of Energy

The Department plays a vital role in managing Alberta's substantial energy resources for the benefit of Albertans. It performs four basic functions:

- 1) it disposes of mineral rights and administers mineral agreements on behalf of the Crown;
- 2) it provides policy recommendations and advice on energy to the government;
- 3) it advises on, establishes, and administers fiscal regime and royalty systems through which the government obtains its fair return from Alberta resources (including the negotiation of fiscal and royalty regimes for the major energy projects); and
- 4) it administers energy-related research, development, and conservation programs.

The Department is organized along divisional lines. Seven divisions report to the Deputy Minister of Energy: Projects and Supply Development; Policy Analysis and Planning; Mineral Resources; Mineral Revenues; Scientific and Engineering Services and Research; Legal Services; and Finance and Administration. (9945 - 108 Street, Edmonton, Alberta T5K 2G6 (403) 427-8697).

d) Alberta Energy Resources Conservation Board

Under the Statutes of Alberta, the Energy Resources Conservation Board is charged with certain energy resource and environmental management functions with regard to oil, gas, oilsands, pipelines, electrical energy and coal. The Board is also responsible for the preservation and effective use of certain of Alberta's energy resources.

Under the Oil & Gas Conservation Act, the Board, with the approval of the Lieutenant Governor in Council (ie. Cabinet), may grant an Industrial Development Permit for the use of gas, methane, ethane, propane, butanes, pentanes plus, condensate, crude oil, crude bitumen, or synthetic crude oil, or any primary derivative of them or any of them as a raw material or fuel in an industrial or manufacturing operation. Permits are not required where the total quantity of energy in the energy resource used in any year as raw material and fuel does not exceed one trillion British thermal units (1.1×10^{14} joules). A similar provision exists in the Coal Conservation Act regarding the use of coal or a coal product as a raw material, reductant, or fuel in an industrial or manufacturing operation. (640 - 5th Avenue SW, Calgary, Alberta T2P 3G4 (403) 297-8311).

e) Department of Environment

The Department of Alberta Environment was established in 1971 and was the first of its kind in North America.

Since its inception, the Department continues to be a forerunner in environmental practices ranging from its solid water management principles to its innovative solutions of managing hazardous waste.

The Department has made a transition in its mandate, moving away from its previous balancing role and progressing towards a more stringent approach to sound environmental protection and management of Alberta resources.

When re-defining its mission, the department has instigated several key initiatives reflecting this changing role as it pertains to policies, programs, services and administrative procedure of departments and agencies in matters regarding the environment.

One of the most significant initiatives launched by the department was the appointment of a review panel to undertake a comprehensive look at environmental law enforcement in Alberta. The panel's purpose was to strengthen and improve the enforcement of Alberta's Environmental Statutes, and make further recommendations. Implementation of these recommendations have already commenced in order to increase the department's efficiency and effectiveness.

The Industry Development Division of Alberta Economic Development and Trade, works closely with Alberta Environment and will introduce companies to this department.

Major environmental guidelines for petro-chemical projects are published by Alberta Environment in conjunction with the Energy Resources Conservation Board under the Industrial Development Permit Application Guidelines. These guidelines detail the amount of information that must be provided to

the Department of Environment regarding the environmental impact of the proposed projects (Standards and Approvals Division, 4th Floor, Oxbridge Place, 9820 - 106 Street, Edmonton, Alberta T5K 2J6 (403) 427-6267).

f) Department of Forestry, Lands and Wildlife

The Department of Forestry, Lands and Wildlife has the responsibility of managing Alberta's forests, land and wildlife resources to ensure a perpetual supply of benefits to the public. Apart from providing proper planning and sound management of Alberta's forests, land, fish and wildlife resources, a major function of the Department is to foster greater development and diversification in Alberta's forest industry. This effort has led to the establishment of the Forest Industry Development Division which acts as a focal point for facilitating the development of variable forestry projects.

The Department encourages development and research initiatives involving greater use of hardwood in the manufacture of pulp and paper and panel-board, and broadening and diversifying the base of existing wood industries. Assistance in areas such as technological improvement, research and development, infrastructural improvement and market development is available for eligible projects.

Contact: Department of Forestry, Lands and Wildlife
9915 - 108 Street
Edmonton, Alberta T5K 2C9
Phone: (403) 427-6337

g) Department of Technology, Research and Telecommunications

The Department of Technology, Research & Telecommunications was formed in 1986 to serve as a focal point in the province's efforts to diversify the economy. The Department supports the application of new technology to existing and new industries, and the creation of new industrial opportunities arising out of science and technology developments within Alberta. The Department also promotes Alberta as a national and international centre for research and commercialization of advanced technologies.

The Department is also responsible for ensuring that all Albertans are served by high quality, reliable and affordable communication systems. It actively

supports the development of intellectually and technologically advanced communication systems and information services in Alberta.

Contact: Corporate and Public Relations
Alberta Technology, Research &
Telecommunications
12th Floor, Pacific Plaza
10909 Jasper Avenue
Edmonton, Alberta
T5J 3M8
Phone: (403) 422-0567

Technology Commercialization

Technology Commercialization is responsible for promoting targetted advanced technology sectors and assisting Alberta companies in developing new and innovative products which have local and international market potential.

This unit coordinates and administers a \$2.2 million Technology Commercialization Program which provides financial assistance to the private sector in support of research institutes, new product development and commercialization, and feasibility studies.

Contacts: Senior Directors
Technology Commercialization
Phone: (403) 422-0567

Investment Development

The prime objective of Investment Development is to promote and facilitate investment in Alberta, specifically in the advanced technology sector.

Activities supporting this objective include:

- developing and reinforcing an awareness in Canada and abroad about Alberta's commitment to advanced technology development;
- identifying and facilitating potential investment in Alberta;
- liaising with government and the private sector to optimize investment promotion efforts; and
- developing strategies and programs to stimulate investment in specific technologies, or from specific target markets.

Contact: Director
Investment Development
Phone: (403) 422-0567

Research and Planning

Research and Planning provides research advice and coordination in the ongoing development and administration of Alberta Government policy both in communications, and in science and technology.

Research and Planning is responsible for long-term planning within the Department and for the development of specific plans for the advanced technology sectors. It also provides technical, economic, financial and policy advice to support Department programs and other initiatives.

In addition, Research and Planning provides support to the Minister for administering related acts and statutes.

This unit has administrative responsibility for two Departmental programs, the Alberta-Heilongjiang Science and Technology Exchange Program and the Satellite Dish Grant Program.

Contact: Senior Director
Research & Planning
Phone: (403) 422-0567

h) Department of Tourism

Primary activities of the Department of Tourism involve developing Alberta as a major year-round travel destination area; marketing the province as a world class vacation spot; and fostering investment opportunities for the private sector. Alberta Tourism has an important and supportive relationship with the tourism industry, providing everything from financial assistance to marketing support and business counselling. The department works closely with the Travel Industry Association of Alberta (TIAALTA), (403) 250-2760, which represents Alberta's private sector tourism operators.

Alberta Tourism markets the Province of Alberta as a leisure and business travel destination. The Marketing Division addresses the needs of consumer, travel trade and business travel markets through the support of cooperatives, advertising campaigns, travel shows and special promotions.

The Planning Division supports communities, organizations and businesses with planning, upgrading and expansion of tourism facilities. Among its support services are a full range of consulting services and programs including tourism planning, community tourism development and major resort development.

The Business Development Branch of Alberta Tourism works directly with the private sector to promote and develop investment opportunities in the Alberta tourism industry. The Branch is intended to serve as a "business catalyst", providing entrepreneurs with advice and assistance in pursuing new tourism ventures and improving the profitability of existing business

operators. The “one-window” approach under which the Branch operates assures quick and efficient service to entrepreneurs.

Department of Tourism
18th Floor, 10025 Jasper Avenue
Edmonton, Alberta T5J 3Z3
Phone: Marketing 422-0483
 Planning 427-2597
 Business Development 427-4324

i) Alberta Tourism Education Council

The Council’s role is to stimulate and integrate the resources of government, industry and education to meet training needs of Alberta’s tourism/hospitality industry. By developing a skilled and motivated tourism labor force, the Council seeks to generate an enhanced hospitality image of Alberta as a world-class tourist destination.

The 17-member Council includes representation from industry, education institutions and organizations, and the Alberta government.

The Council is working to establish certification standards for various tourism professions. The goal is to provide a province-wide system of certification that will recognize the efforts to graduates and highlight career paths for current industry employees.

The Council is also developing a comprehensive evaluation process through which proposals submitted for tourism education and training may be reviewed and recommended for funding through the Canada/Alberta Tourism Agreement.

Contact: Executive Director,
 Alberta Tourism Education Council
 1700 Standard Life Centre
 10405 Jasper Avenue
 Edmonton, Alberta T5J 3N4
 Telephone: (403) 422-0781

j) Department of Agriculture

The Mission of the Department of Agriculture is to support the maintenance and further development of a viable agricultural and food economy in Alberta.

Marketing Services Division

The Marketing Services Division exists to show leadership in assisting and encouraging the maintenance and development of strong, competitive agriculture and food industries.

Contact: Director, Marketing Services Division
Alberta Agriculture
7000 - 113 Street
Edmonton, Alberta T6H 5T6
Telephone: (403) 427-3166

Agri-Food and Processing Development Branch
Alberta Agriculture
7000 - 113 Street
Edmonton, Alberta T6H 5T6
Telephone: (403) 427-7325

Market Development Division

The Market Development Division exists to assist Alberta agri-food industries to identify, create and take advantage of domestic and international market opportunities.

Contact: Director, Marketing Development Division
Alberta Agriculture
7000 - 113 Street
Edmonton, Alberta T6H 5T6
Telephone: (403) 427-4241

k) Department of Federal and Intergovernmental Affairs

The Department of Federal and Intergovernmental Affairs (FIGA) coordinates policy for Alberta's six foreign offices and provides administrative and operational support to these offices. Since the opening of Alberta House in London in 1948, the Government of Alberta has used its foreign offices - now six in number - to carry forward the Province's interests abroad and to assist Albertans with their business, travel and information needs. Located in London, New York, Los Angeles, Hong Kong, Seoul and Tokyo, staff in these offices work closely with the private sector and Alberta government departments. For a complete listing of Alberta's six foreign offices, please refer to the back cover of this publication.

Contact: International Division
Alberta Federal and Intergovernmental Affairs
2200, 10025 - Jasper Avenue
Edmonton, Alberta T5J 1S6
Telephone: (403) 427-6543
Facsimile: (403) 427-6654
Telex: 037-3300

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YOU TO CONTACT KNOWLEDGEABLE
REPRESENTATIVES FOR ALL THE
FACTS YOU NEED: ♦ ♦ ♦ ♦

I N T E R N A T I O N A L O F F I C E S



New York

Alberta House
27th Floor,
General Motors Building
767 Fifth Avenue
New York, New York 10153
U.S.A.
Telephone: (212) 759-2222
Telefax: (212) 759-3682



Hong Kong

Alberta House
Room 1003 - 1004, 16th Floor,
Tower 2, Admiralty Centre,
18 Harcourt Road, Central,
Hong Kong
Telephone: (011) 852-5-284-729
Telex: 802-61961+
Telefax: (011) 852-5-298-115



Los Angeles

Alberta House
Suite 3535,
333 South Grand Avenue
New Angeles, California 90071
U.S.A.
Telephone: (213) 625-1256
Telefax: (213) 626-2107



Tokyo

Alberta House
Akasaka Oji Building,
8th Floor,
1 Akasaka 8 chome
Minato-ku
Tokyo 107, Japan
Telephone: (011) 81-3-475-1171
Telex: 72-28543+
Telefax: (011) 81-3-470-3939



London

Alberta House
1 Mount Street
London, England W1Y 5AA
Telephone: (011) 441-491-3430
Telex: 51-23461+
Telefax: (011) 441-629-2296



Seoul

Alberta House
Suite 400, Leema Bldg.
Executive Business Centre
146-1 Soosong-Dong
Chongro-Ku, Seoul 110-140
Korea
Telephone (011) 82-2-733-1021
Telex: 801-29-231
Telefax: (011) 82-2-733-1028



Alberta Economic
Development and Trade
Investment Promotion
Branch
12th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
Canada T5K 2P6
Telephone: (403) 422-6236
Telex: 037-42815
Telefax: (403) 427-0487